

Each of the shareholders set forth in Schedule “A” hereto

- and -

VOGOGO INC.

- and -

CRYPTO 205 INC.

SHARE PURCHASE AGREEMENT

March 13, 2018

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SHARE PURCHASE AGREEMENT

THIS AGREEMENT is made as of the 13th day of March, 2018.

AMONG:

Each of the shareholders set forth in Schedule “A” hereto (each a “**Vendor**” and collectively, the “**Vendors**”)

- and -

VOGOGO INC., a corporation amalgamated under the laws of the Province of Alberta (“**Purchaser**”)

- and -

CRYPTO 205 INC., a corporation incorporated under the laws of Canada (the “**Company**”)

PREAMBLE:

1. Vendors own the Purchased Shares.
2. Vendors have agreed to sell and transfer the Purchased Shares and Purchaser has agreed to purchase the Purchased Shares on the Closing Date upon the terms and conditions hereinafter set forth.

NOW THEREFORE in consideration of the mutual covenants and promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the Parties, the Parties agree as set forth below:

ARTICLE 1 DEFINITIONS AND PRINCIPLES OF INTERPRETATION

1.1 Definitions

In this Agreement, the following words and phrases will have the meanings set out below unless the context requires otherwise:

“**ABCA**” means the *Business Corporations Act* (Alberta).

“**Affiliate**” means, in relation to any Person, any other Person or group of Persons acting in concert, directly or indirectly, that controls, is controlled by or under common control with the first mentioned Person, and for the purposes of this definition and references in this Agreement to “**Affiliate**”; “**control**” means the possession, directly or indirectly, by such Person or group of Persons acting in concert of the power to direct or cause the direction of the management and policies of the first mentioned Person, whether through the ownership of voting securities or otherwise.

“**Agreement**” means this agreement.

“**Applicable Law**” means, with respect to any Person, property, transaction, event or other matter, any law, rule, statute, regulation, order, judgment, decree, treaty or other requirement having the force of law in any jurisdiction (collectively, the “**Law**”) relating or applicable to such Person, property, transaction, event or other matter. Applicable Law also includes, where appropriate, any interpretation of the Law (or any part thereof) by any Person having jurisdiction over it, or charged with its administration or interpretation.

“**Applicable Tax Legislation**” means any legislation pursuant to which Taxes are imposed by any Taxation Authority.

“**Assessment**” means appeals, actions, audits, assessments, reassessments, suits, proceedings, investigations or claims for, or in respect of, Taxes (as hereinafter defined) that are made by any Taxation Authority.

“**Assets**” means the assets set forth in Schedule “B” hereto.

“**Associate**” has the meaning ascribed thereto in the ABCA.

“**Business**” means the mining of cryptocurrencies for the account of the Company, as a service for third party customers and within mining pools, together with corresponding support services.

“**Business Day**” means any day other than a day which is a Saturday, a Sunday or a statutory holiday in the Provinces of Alberta or Ontario.

“**Building Lease**” means the lease dated December 22, 2017 in respect of the property located at 205 Brunswick Boulevard, Pointe-Claire, Quebec H9R-4R7.

“**Canadian GAAP**” means the generally accepted accounting principles and practices in Canada, published in the handbook, as amended from time to time, of the Canadian Institute of Chartered Accountants or any successor institute, which includes International Financial Reporting Standards, and which are applicable on the applicable date as at which a calculation or determination is required to be made in accordance therewith.

“**Claim**” has the meaning ascribed thereto in Section 7.1.

“**Closing**” means the completion of the purchase and sale of the Purchased Shares as herein provided.

“**Closing Date**” means April 1, 2018 or such other date to which the Parties may agree in writing.

“**Closing Time**” means 9:00 a.m., Calgary time on the Closing Date, or such other time as the Parties may agree in writing.

“**Common Shares**” means the class A and class B common shares, each without par value, in the capital of the Company.

“**Company**” means Crypto 205 Inc.

“**Company Intellectual Property**” has the meaning ascribed thereto in Section 3.1(ff).

“**Consents and Approvals**” means all consents and approvals listed in Schedule 1.1(a) required to be obtained in connection with the execution and delivery of this Agreement.

“**Contracts**” means all rights and interests of the Company to and in all pending and/or executory contracts, agreements, leases and arrangements related to the Business to or by which the Company or any of the Assets or Business is bound or affected.

“**Credit Facility**” means the outstanding credit facility agreement between the Company and Northurst Inc., providing for a credit facility with a maximum loan amount of \$10,000,000, of which, as at the Closing Date, there shall be no more than \$5,000,000 outstanding thereunder.

“**Direct Claim**” has the meaning ascribed thereto in Section 7.3.

“**Effective Date**” means the Closing Date, or such other date as the Parties may agree in writing.

“**Encumbrance**” means any encumbrance, lien, charge, hypothec, pledge, mortgage, title retention agreement, security interest of any nature, adverse claim, exception, reservation, easement, right of occupation, any matter capable of registration against title, option, right of pre-emption, privilege or any agreement, indenture, contract, lease, deed of trust, licence, option, instrument or other commitment, whether written or oral, to create any of the foregoing.

“**Environmental Laws**” means

- (a) statutes, codes, ordinances, decrees, rules, regulations, by-laws of any Governmental Authority, and principles of common and civil law and equity of any court, having jurisdiction in respect of the Business, the Assets or any Vendor;
- (b) judgments, orders, decisions, ruling or awards, of any court or any administrative board or tribunal;
- (c) ministerial or departmental orders, decisions, policies or guidelines pertaining to groundwater and solid decontamination and ministerial or departmental orders, decisions, policies or guidelines of which, any Vendor or the Company have received notice; and
- (d) treaties;

or any provisions of the foregoing, which are binding on or which apply to the Company or any Vendor in respect of the Assets or the Business and relating to the environment, health and safety matters or conditions, Hazardous Substances (as hereinafter defined), pollution or protection of the environment, including, without limitation, on-site or off-site contamination, occupational health and safety and regulation of chemical substances or products, Releases (as hereinafter defined) of pollutants, contaminants, chemicals, or industrial toxic, radioactive or Hazardous Substances into the environment or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, transport or handling of Hazardous Substances.

“**Financial Assistance**” means, with respect to any Person and without duplication, any loan, guarantee, indemnity, assurance, acceptance, extension of credit, loan purchase, share purchase, equity or capital contribution, investment or other form of direct or indirect financial assistance or support of any other Person (as hereinafter defined) or any obligation (contingent or otherwise) intended to enable or having the effect of enabling another Person to incur or pay any debt of any kind or to comply with agreements relating thereto or otherwise to assure or protect creditors of the other Person against loss in respect of debt of any kind of the other Person.

“Governmental Authority” means any government, government regulatory authority, government department, government agency, government commission, government bureau, government official, government minister, Crown corporation, court, government board or other governmental law, rule or regulation-making entity:

- (a) having or purporting to have jurisdiction on behalf of any nation, province, state or other geographic or political subdivision thereof; or
- (b) exercising or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

“Financial Statements” means the audited financial statements of the Company from the period of incorporation to December 31, 2017.

“GST Legislation” means the *Excise Tax Act* (Canada), as amended.

“Hazardous Substance” means any substance, waste, liquid, gaseous or solid matter, fuel, micro-organism, sound, vibration, ray, heat, odour, radiation, energy vector, plasma, organic or inorganic matter which is or is deemed to be, alone or in any combination, hazardous, hazardous waste, solid or liquid waste, toxic, a pollutant, a deleterious substance, a contaminant, a source of pollution or contamination, or a substance having an adverse effect under any Environmental Laws.

“including” and **“includes”** means “including, without limitation” and “includes, without limitation” respectively.

“Indemnified Party” means a Person whom the Vendors or Purchaser, as the case may be, have agreed to indemnify under Article 7.

“Indemnifying Party” means, in relation to an Indemnified Party, the Party to this Agreement that has agreed to indemnify that Indemnified Party under Article 7.

“Intellectual Property” means all rights to and interests in:

- (a) all marks, logos, slogans, trade-marks, domain names (whether used with wares or services and including the goodwill attaching to such trade-marks) and all registrations and applications for trade-marks (and all future income from such trade-marks);
- (b) all inventions, patents, patent rights, patent applications (including all reissues, divisions, continuations, continuations-in-part and extensions of any patent or patent application), industrial designs and applications for registration of industrial designs;
- (c) all copyrights, registrations and applications for copyrights (and all future income from such copyrights);
- (d) all licences of the intellectual property listed in items (a) to (c) above;
- (e) all future income and proceeds from any of the intellectual property listed in items (a) to (c) above and the licences described in item (d) above;
- (f) all documentation, packaging and media relating to the intellectual property described in items (a) to (e) above, including all computer disks, CD-ROMs and other storage media

containing any such intellectual property and all boxes, wrapping and other packaging material;

- (g) all rights to damages, royalties and profits by reason of the past, present or future infringement or other misuse of any of the intellectual property listed in items (a) to (f) above.

“Liabilities” means all costs, expenses, charges, debts, liabilities, indebtedness, claims, demands and obligations of any kind whatsoever, whether primary or secondary, direct or indirect, fixed, accrued, contingent, absolute or otherwise, whether under or in respect of any contract, agreement, arrangement, lease, commitment or undertaking, Applicable Law and Taxes or otherwise.

“Loan Assignment Agreement” means the agreement to be entered into between Northurst Inc. and the Purchaser, to be dated the Closing Date, with respect to the assignment to the Purchaser, in exchange for cash consideration of \$5,000,000, of the Credit Facility, in a form and in substance acceptable to the Purchaser and Northurst Inc., acting reasonably.

“Material Adverse Change” means a change in the Business, Assets, operations, finances or capital of the Company which has had or could be expected to have an adverse effect on the value of the Purchased Shares or on the willingness of a purchaser to buy the Purchased Shares on the terms hereof.

“Options” means stock options exercisable for Common Shares.

“Outside Date” means April 30, 2018.

“Parties” means the parties to this Agreement, and **“Party”** means any one of them.

“Person” includes any individual, corporation, body corporate, partnership, joint venture, association, unincorporated organization, trust, union, Governmental Authority, and other entity and the heirs, executors, administrators or other legal representatives of an individual.

“Prime Rate” means from time to time the prime rate of interest of Canadian Imperial Bank of Commerce main branch, Calgary, Alberta.

“Purchase Price” has the meaning ascribed thereto in Section 2.2.

“Purchased Shares” means all of the issued and outstanding Common Shares.

“Purchaser” means Vogogo Inc., a corporation amalgamated pursuant to the laws of the Province of Alberta.

“Purchaser Preferred Shares” means the series 1 convertible preferred shares, with the terms and conditions set forth in Schedule “C” hereto.

“Records” means:

- (a) all written, machine readable or electronically stored information and data of or relating to the Company or the Business including, without limiting the generality of the foregoing, all books, records, agreements, reports, plans, drawings, papers, accounting and other documents which relate to:
 - (i) the creation, acquisition, or ownership by any Vendor of the Purchased Shares;

- (ii) the acquisition, construction, ownership or operation of the Assets by the Company;
 - (iii) the conduct of the Business;
 - (iv) all customer lists relating to the Business; and
 - (v) title to the Assets, and
- (b) all minute books, accounting books and records, tax returns and other books, records, agreements, papers, returns, assessments, reassessments and documents, whether written, machine readable or electronically stored, which relate to any or all of the existence and activities of the Company or the Business and any activities of any Vendor in relation thereto.

“**Release**” includes, without limitation, releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, depositing, injecting, escaping, leaching, disposing or dumping.

“**Supplier**” means any Person who has supplied or provided to the Company, goods or services of any kind of a value exceeding \$25,000, as listed in Schedule 3.1(jj).

“**Tax Act**” means the *Income Tax Act* (Canada).

“**Taxes**” means all taxes, however denominated or imposed, including any interest, penalties or other additions thereto that are imposed by a Governmental Authority, and shall for greater certainty include, but not be limited to, federal and provincial income and capital taxes, payroll and employee withholding taxes, other withholding taxes, surtaxes, employment insurance premiums, Canada pension plan contributions, goods and services tax, sales and use taxes, ad valorem taxes, excise taxes, franchise taxes, gross receipts taxes, business license taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, transfer taxes, workers’ compensation premiums, and all other amounts of the same or of a similar nature to any of the foregoing, whether or not such amounts are described as taxes.

“**Third Party**” has the meaning ascribed thereto in Section 7.5.

“**Third Party Claim**” has the meaning ascribed thereto in Section 7.3.

“**Vendors**” means collectively the shareholders set forth in Schedule “A” hereto.

“**Warrants**” means warrants exercisable for Common Shares.

1.2 Expanded Meanings

Unless the context otherwise necessarily requires:

- (a) words used herein importing the singular number only will include the plural and vice versa, and words importing the use of any gender will include all genders;
- (b) the terms “in writing” or “written” include printing, typewriting, or any electronic means of communication by which words are capable of being visually reproduced at a distant point of reception, including by telecopier; and

- (c) references herein to any agreement or instrument, including this Agreement, will be deemed to be references to the agreement or instrument as varied, amended, modified, supplemented or replaced from time to time, and any specific references herein to any legislation or enactment will be deemed to be references to such legislation or enactment as the same may be amended or replaced from time to time.

1.3 Currency

Unless otherwise expressly set forth, all dollar amounts in this Agreement are expressed in Canadian funds.

1.4 Sections and Headings

The division of this Agreement into Articles, Sections, Subsections, Schedules and other subdivisions and the insertion of headings is for convenience of reference only and will not affect or be utilized in the construction or interpretation hereof. Unless otherwise stated, all references herein to Articles, Sections, Subsections and Schedules are to those in or to this Agreement.

1.5 Accounting Terms and Principles

Except as set forth in this Agreement, all accounting terms and principles applicable to this Agreement (including the Financial Statements) will be interpreted and applied in accordance with Canadian GAAP. The basis of accounting set out in this Agreement will be applied on a consistent basis and will not be changed for the purposes of this Agreement unless agreed to by each of the Parties in writing.

1.6 Business Day

Where any date specified in this Agreement falls on a day that is not a Business Day, such date will be deemed to be the next Business Day.

1.7 Schedules

The following Schedules are attached to and form part of this Agreement:

Schedule "A"	-	Vendors and Ownership of Common Shares
Schedule "B"	-	Assets
Schedule "C"	-	Purchaser Preferred Shares
Schedule 1.1(a)	-	Consents and Approvals
Schedule 2.3	-	Payment of Purchase Price
Schedule 3.1(k)	-	Material Contracts
Schedule 3.1(l)	-	Liabilities
Schedule 3.1(dd)	-	Directors and Officers
Schedule 3.1(gg)	-	Insurance
Schedule 3.1(jj)	-	Suppliers
Schedule 6.3(k)	-	Opinions

In the event of a conflict between a provision of the body of this Agreement and a provision of a Schedule, the provision of the body of this Agreement will prevail.

1.8 Knowledge

Where in this Agreement, or in any certificate or document delivered in connection herewith or to effect any of the transactions contemplated hereby, any statement, representation or warranty is made as to, or as being based on, the awareness, knowledge, information or belief of a Party, such awareness, knowledge, information or belief, as applicable, is limited to the actual awareness, knowledge, information or belief of the Party who makes such statement, representation or warranty, and the awareness, knowledge, information or belief which the Party would have had if it had conducted a diligent inquiry into the subject matter, provided that in the case of a Party that is a body corporate, such knowledge, information, awareness and belief will be the actual knowledge, information, awareness and belief of the directors and officers of the body corporate and the knowledge, information, awareness and belief that such directors and officers would have had if they had conducted a diligent inquiry into the relevant subject matter.

ARTICLE 2 PURCHASE AND SALE

2.1 Purchase and Sale of Purchased Shares

Subject to the terms and conditions of this Agreement, each Vendor will, at the Closing Time and with effect at the Effective Date, sell and transfer to Purchaser and Purchaser will purchase and accept from each Vendor the Purchased Shares set forth opposite such Vendor in Schedule "A" hereto.

2.2 Purchase Price

The aggregate purchase price (the "**Purchase Price**") payable by Purchaser to Vendors for the Purchased Shares will be \$51,350,000.

2.3 Payment of Purchase Price

The Purchase Price will be paid and satisfied by delivery to the Vendors at Closing of the issuance of 130,000,000 Purchaser Preferred Shares, to be allocated to each Vendor as set forth in Schedule 2.3.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties in respect of the Company

The Vendors hereby represent and warrant jointly and severally to Purchaser that each of the statements contained in this Section 3.1 are true and correct as at the time of execution and delivery of this Agreement and that such statements will be true and correct as at the Closing Time (except for any such statement which expressly speaks as at some other time), and the Vendors acknowledge that Purchaser is relying on such representations and warranties in connection with the purchase of the Purchased Shares and the completion of the other transactions hereunder.

- (a) **Corporate Standing and Authority of the Company** – The Company is a body corporate duly organized, validly existing and up to date with its corporate filings under its jurisdiction of incorporation. The Company has all necessary corporate power, authority and capacity to enter into this Agreement and each agreement contemplated to be executed and delivered hereunder by the Company at or before the Closing Time and to perform its obligations hereunder.

- (b) **Corporate Action of the Company** – The Company has taken all necessary actions, steps and corporate or other proceedings to approve and authorize, validly and effectively, the entering into and the execution, delivery and performance of this Agreement and each agreement contemplated to be executed and delivered by it hereunder and the sale and transfer of the Purchased Shares to Purchaser.
- (c) **Binding Agreement** - This Agreement has been duly authorized, executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company.
- (d) **Binding Effect of Other Agreements** - At the Closing Time, each agreement contemplated to be executed and delivered pursuant to this Agreement by the Company will have been duly authorized, executed and delivered by the Company and will constitute a legal, valid and binding obligation of the Company.
- (e) **No Conflicting Interests** - The execution and delivery of this Agreement and each agreement or document to be executed and delivered hereunder and the consummation of the transactions contemplated herein and therein will not:
 - (i) violate, be in conflict with, result in a breach of, constitute a default, or cause the acceleration of any obligation of the Company under:
 - (A) any agreement, lease, contract, indenture, instrument, licence, permit or authority to which the Company is, or is entitled to be, a party or to which any or all of its property or the Purchased Shares are subject;
 - (B) any provision of the articles, bylaws or other constating document, or any resolution of the board of directors (or any committee thereof) or shareholders, of the Company;
 - (C) any judgment, decree, order, statute, rule or regulation applicable to the Company, or
 - (D) any provision of Law or regulation of any Governmental Authority or any judicial or administrative order, award, judgment or decree applicable to the Company; or
 - (ii) result in the creation of any Encumbrance upon any of the Purchased Shares or the Assets under any such agreement, lease, contract, instrument, licence, permit or authority.
- (f) **Approvals to Transactions** - No consent or approval of any Person is required for the execution, delivery or performance by the Company of the transactions contemplated by this Agreement or for the execution, delivery or performance by the Company of any other agreement contemplated hereunder to be delivered by the Company at or before the Closing Time, other than the Consents and Approvals, which will be obtained on or prior to the Closing Time.
- (g) **Share Capital** - The authorized share capital of the Company consists of an unlimited number of Common Shares, of which at the Closing Time only the Purchased Shares (and no more or other classes of shares or other securities) will be issued and outstanding,

and which Purchased Shares will have been at the Closing Time duly and validly authorized by the Company and issued and outstanding as fully paid and non-assessable.

- (h) **Options, Convertible Securities and Purchase Agreements** - No Person has any agreement, option, commitment, or any right or privilege (whether by Law, preemptive or contractual) capable of becoming an agreement, option or commitment (including any such right or privilege under convertible securities, warrants or convertible obligations of any nature) for the purchase, subscription, allotment or issuance of, or conversion into, any of the unissued shares or any other securities of the Company, including any Options or Warrants.
- (i) **No Other Purchase Agreements** - No Person, other than Purchaser, has any agreement, option or commitment or any right or privilege (whether by Law or at contract or otherwise) capable of becoming an agreement, option or commitment for the acquisition of any of the Purchased Shares.
- (j) **Shareholders Agreement** – The Company is not party to any unanimous shareholders’ agreement, pooling agreements, voting trusts or other similar agreements in effect with respect to the outstanding Common Shares.
- (k) **Contracts** - At the Closing Time, the Company will not be party to, or bound by any Contracts except for the contracts listed in Schedule 3.1(k) (the “**Material Contracts**”). The Material Contracts are the only contracts material to the Business and all such Material Contracts, and any amendments thereto, are set forth in Schedule 3.1(k). To the knowledge of the Vendors, each of the Material Contracts is in full force and effect. The Company has performed in all material respects all of the obligations required to be performed by it, is entitled to all benefits under, and to the knowledge of the Vendors there exists no default or event of default or event, occurrence, condition or act on the part of the Company, which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a default or event of default under any Material Contract other than any requirements to obtain the consent to assignment of the other party. True, correct and complete copies of all Material Contracts (and all amendments thereto) have been delivered to the Purchaser.
- (l) **No Liabilities** – Other than as set out in Schedule 3.1(l), at the Closing Time, the Company will have no Liabilities whatsoever and will be under no obligation to create or issue any bonds, debentures, mortgages, promissory notes or other evidence of Indebtedness.
- (m) **Financial Assistance** – The Company has not provided any Financial Assistance to any Person.
- (n) **Records** - The financial Records of the Company fairly present, in accordance with Canadian GAAP, the financial position of the Company and all assets and undertakings and all liabilities, including contingent liabilities and shareholders equity accounts in all material respects as at the date hereof, and all material financial transactions of the Company have been accurately recorded in all material respects in such financial Records of the Company.
- (o) **Financial Statements** - The Financial Statements are being prepared in accordance with Canadian GAAP, drafts of which have been disclosed in writing to the Purchaser and

have been prepared on a basis that fairly presents the assets, liabilities and statement of cash flows as at the dates indicated therein and the results of operations of the Company for the periods indicated therein and no Material Adverse Change in such financial position or such results of operations has occurred since the date thereof to the date of this Agreement and will not have occurred to the Closing Time.

- (p) **Minute Books** - The minute books of the Company contain, in all material respects, complete and accurate minutes of all meetings and resolutions of the directors (and any committees thereof) and shareholders of the Company. The share certificate books, register of shareholders, register of transfers and register of directors of the Company are complete and accurate in all material respects.
- (q) **Intermediary Fees** - No commission or other remuneration is or will be payable by the Company to any broker, agent or other intermediary who has acted for any Vendor or the Company in connection with the sale of the Purchased Shares and the transactions herein contemplated.
- (r) **Litigation and Related Matters** - There are no actions, suits, investigations or proceedings pending, or to the knowledge of the Vendors, threatened, against or affecting the Common Shares, the Business or the ability of any Vendor or the Company to consummate the transactions contemplated hereby, at Law or in equity, or before any arbitrator of any kind, or before or by any Governmental Authority, and no Vendor or the Company is aware of any existing ground on which any such action or proceeding might be commenced. The Company is not subject to any outstanding orders, writs, injunctions, decrees, judgments, awards, determinations, work orders or directions of any arbitrator or Governmental Authority.
- (s) **Subsidiaries** - At the Closing Time, the Company will not own any subsidiaries or shares or any other interest in any other Person, nor will the Company be subject to any agreements of any nature to acquire any subsidiary or shares or any other interest in any other Person or to acquire or lease any other business operation, and will not prior to the Closing Time, acquire or agree to acquire, any subsidiary or shares or any other interest in any other Person or any other business operation.
- (t) **Partnerships or Joint Ventures** – The Company is not a partner or participant in any partnership, joint venture, profit-sharing arrangement or other association of any kind and is not party to any agreement under which the Company agrees, or any other Person has a right, to carry on any part of the Business or any other activity in such manner or by which the Company agrees to share any revenue or profit with any other Person.
- (u) **No Changes** - There has not occurred or arisen at the date hereof any:
 - (i) transaction by the Company, except in the ordinary course of the Business as conducted by the Company on that date;
 - (ii) other than in the ordinary course of the Business, capital expenditures or commitments by the Company in excess of \$25,000 individually or \$50,000 in the aggregate;
 - (iii) destruction of, damage to or loss of any Assets (whether or not covered by insurance);

- (iv) labour trouble or claim of wrongful discharge or other unlawful labour practice or action;
 - (v) change in accounting methods or practices (including any change in depreciation or amortization policies or rates) by the Company;
 - (vi) revaluation for accounting purposes by the Company of any of the Assets;
 - (vii) other than the Purchased Shares, issuances of any shares of any class or other securities of any kind of the Company;
 - (viii) acquisition, sale or transfer of any Assets;
 - (ix) amendment or termination of any Material Contract, agreement or license to which the Company is a party or by which it is bound; or
 - (x) event or condition of any character that has or could be expected to have a Material Adverse Change on the Company, its Business or the Assets.
- (v) **Only Assets** - At the Closing Time, the only assets owned or held by the Company will be the Assets.
- (w) **Sufficiency of Assets** - The Assets are sufficient to carry on the Business in the ordinary course as has been conducted by the Company to the date hereof.
- (x) **Restrictive Covenants** - The Company is not a party to or bound or affected by any Contract limiting the freedom to operate the Business to: (i) compete in any line of business or any geographic area; (ii) acquire goods or services from any supplier; (iii) transfer or move any of its Assets or operations.
- (y) **Affiliate Transactions** - No officer or director of the Company or any entity over which any of the foregoing Persons has control, or is an officer or director of, is a party to any Contract with the Company with regard to the Business or has any interest in any of the Assets.
- (z) **Taxes** -
- (i) the Company has in a due and timely manner filed all reports and returns respecting Taxes, duties, royalties, and other fees, charges and levies of every nature and kind, and all information and data in connection therewith, required to be filed by it with any taxing or regulatory authority to whom the Company and the Business are subject;
 - (ii) the Company has paid all Taxes, duties, royalties, and other fees, charges and levies, and any interest, penalties and fines in connection therewith, properly due and payable, and has paid all of same in connection with all known assessments, reassessments and adjustments;
 - (iii) other than Taxes and other such levies incurred in the ordinary course of the Business and not yet due, no other Taxes, duties, royalties, or other fees, charges or levies, nor any interest, penalties and fines have been claimed by any

governmental or regulatory authority or are pending (or to the knowledge of any Vendor threatened) (including all tax installments) or by reason of the transactions herein contemplated will become due and owing by the Company and there are no matters of dispute or under discussion with any governmental or regulatory authority relating to Taxes, duties, royalties or other fees, charges, levies, interest, penalties or fines asserted by such authority;

- (iv) the Company has withheld or collected all amounts required to be withheld or collected including, without limiting the generality of the foregoing, all amounts required to be withheld or collected under the Tax Act for employee deductions, employment insurance, the Canada Pension Plan and Goods and Services Tax payable under the GST Legislation and any other amounts required by law to be withheld or collected from any payments made to non-residents and any of its officers, directors and employees, and has paid the same to the proper taxing authority or receiving offices;
 - (v) there are no agreements, waivers (including a waiver in respect of time within which a reassessment may be made by any taxing authority) or other arrangements providing for any extension of time with respect to the filing of any tax return by, or payment of any tax, governmental charge or deficiency against, the Company; and
 - (vi) there are no actions, suits, proceedings, investigations or claims pending, or to the knowledge of any Vendor, threatened against the Company in respect of Taxes, governmental charges or assessments, or any other matters under discussion with any governmental or regulatory authority relating to taxes, charges or assessments asserted by any such governmental or regulatory authority.
- (aa) **Employee Commitments** - At the Closing Time, the Company has no employees and has no Liabilities to or in respect of any former employees of the Company.
 - (bb) **Real Property** - At the Closing Time, the Company will not own or have any right, title or interest in any real property, other than in respect of the Building Lease.
 - (cc) **Title to Tangible Assets** - As at the Closing Time, the Company will own the Assets (other than the Company Intellectual Property, the representation for which is provided in Section 3.1(ff)) free and clear of any Encumbrance.
 - (dd) **Directors and Officers** - Schedule 3.1(dd) sets forth the names and titles of all directors and officers of the Company immediately prior to the Closing Time.
 - (ee) **Powers of Attorney** - The Company has not granted to any Person a general or special power of attorney for the Company.
 - (ff) **Intellectual Property** -
 - (i) The Company does not own any Intellectual Property relating to the operation of the Business.
 - (ii) Neither the Assets nor the conduct of the Business:

- (A) violate any license or agreement of the Company with any Person;
 - (B) has, to the knowledge of the Vendors, infringed or currently infringes upon the industrial, Intellectual Property, trade secret or proprietary rights of any Person, whether pursuant to common law or statutory law, including rights relating to defamation, rights of confidentiality, privacy or publicity and contractual rights; or
 - (C) requires the payment of any royalty, honoraria, fees or other payments to any other Person.
- (gg) **Insurance** – The Company has in place the insurance policy listed in Schedule 3.1(gg). Such policy is in full force and effect and will be at the Closing Time and the Company is not in default under the terms of such policy.
- (hh) **Environmental** -
- (i) The Business has been and is currently being carried on in compliance with all Environmental Laws, except to the extent where any non-compliance would not result in a Material Adverse Change. Further, to the knowledge of the Vendors, there are no facts that could reasonably be expected to give rise to a notice of non-compliance of the Business in respect of any Environmental Laws.
 - (ii) The Company has not released, transported, treated, processed, distributed, stored, used, manufactured, handled, disposed of or exposed its employees or other Persons to any Hazardous Substances or caused, authorized or permitted any of the foregoing except in compliance with all applicable Environmental Laws.
 - (iii) The Company has not disposed of or arranged for the disposal of Hazardous Substances, other than at licensed facilities and in compliance with all Environmental Laws.
- (ii) **Operating Permits and Licenses** - Except as are required in the ordinary course of the Business, there are no permits, licenses, consents, authorizations, approvals, privileges, waivers, exemptions, orders (inclusionary or exclusionary) or other concessions required in connection with the ownership and operation of the Assets and the conduct of the Business.
- (jj) **Suppliers** - The Company is not required to provide any bonding or other financial security arrangements in connection with any transactions with any of its Suppliers. The Vendors are not aware of, nor have they received notice of, any intention on the part of any Supplier to cease doing business with the Company or to modify or change in any material manner any existing arrangement with the Company for the supply of any products or services. The relationships of the Company with each of its Suppliers are satisfactory to the Company, and there are no unresolved disputes with any Suppliers.
- (kk) **Taxable Canadian Property** - The Purchased Shares are not Taxable Canadian Property, within the meaning of the Tax Act.

- (ll) **Compliance with Applicable Laws** - All Applicable Laws having jurisdiction over the Company, the Business or the Assets are being, and have been, complied with by the Company, except where such non-compliance would not result in a Material Adverse Change.
- (mm) **Particulars of Schedules** - All particulars set out in the Schedules referred to in this Section 3.1 are true, complete and accurate and not misleading in any respect.

3.2 Representations and Warranties of Vendors

Each Vendor hereby represents and warrants, severally, and not jointly nor jointly and severally, to the Purchaser that each of statements contained in this Section 3.2 is true and correct as at the time of execution of this Agreement and that such statements will be true and correct as at the Closing Time (except for any such statement which expressly indicates some other time), and each Vendor acknowledges that Purchaser is relying on such representations and warranties in connection with the purchase of the Purchased Shares and the completion of the other transactions hereunder.

- (a) **Authority of Vendor** - Vendor has all necessary power, authority and capacity to enter into this Agreement and each agreement contemplated to be executed and delivered hereunder by Vendor at or before the Closing Time and to perform its obligations hereunder.
- (b) **Corporate Action of Vendor** - Vendor has taken all necessary actions, steps and corporate or other proceedings to approve and authorize, validly and effectively, the entering into and the execution, delivery and performance of this Agreement and each agreement contemplated to be executed and delivered by it hereunder and the sale and transfer of the Purchased Shares to Purchaser.
- (c) **Binding Agreement** - This Agreement has been duly authorized, executed and delivered by Vendor and constitutes a legal, valid and binding obligation of Vendor.
- (d) **Binding Effect of Other Agreements** - At the Closing Time, each agreement contemplated to be executed and delivered pursuant to this Agreement by Vendor will have been duly authorized, executed and delivered by Vendor and will constitute a legal, valid and binding obligation of Vendor.
- (e) **No Conflicting Interests** - The execution and delivery of this Agreement and each agreement or document to be executed and delivered hereunder and the consummation of the transactions contemplated herein and therein will not:
 - (i) violate, be in conflict with, result in a breach of, constitute a default, or cause the acceleration of any obligation of Vendor under:
 - (A) any agreement, lease, contract, indenture, instrument, licence, permit or authority to which Vendor is, or is entitled to be, a party or to which any or all of its property or the Purchased Shares are subject;
 - (B) if applicable, any provision of the articles, bylaws or other constating document, or any resolution of the board of directors (or any committee thereof) or shareholders, of Vendor;

- (C) any judgment, decree, order, statute, rule or regulation applicable to Vendor, or
- (D) any provision of Law or regulation of any Governmental Authority or any judicial or administrative order, award, judgment or decree applicable to Vendor; or
- (ii) result in the creation of any Encumbrance upon any of the Vendor's Purchased Shares or the Assets under any such agreement, lease, contract, instrument, licence, permit or authority.
- (f) **Approvals to Transactions** - No consent or approval of any Person is required for the execution, delivery or performance by Vendor of the transactions contemplated by this Agreement or for the execution, delivery or performance by Vendor of any other agreement contemplated hereunder to be delivered by Vendor at or before the Closing Time, other than the Consents and Approvals, which will be obtained on or prior to the Closing Time.
- (g) **Shareholdings of Vendor** –Vendor will be at the Closing Time the beneficial and registered owner of the Purchased Shares set forth opposite its name on Schedule “A” hereto, and Vendor at the Closing Time has good and marketable title with respect to such Purchased Shares, free and clear of all Encumbrances, except those of Purchaser arising pursuant to this Agreement.
- (h) **Shareholders Agreement** - Vendor is not party to any unanimous shareholders' agreement, pooling agreements, voting trusts or other similar agreements in effect with respect to the Company or the Purchased Shares of Vendor.
- (i) **Residency** – other than Cambridge Capital Ltd., Vendor is not a non-resident of Canada within the meaning of the Tax Act.

3.3 Non-Waiver

No investigations made by or on behalf of Purchaser at any time will have the effect of waiving, diminishing the scope of or otherwise affecting any representation or warranty made herein or pursuant hereto.

3.4 Nature and Survival of Representations and Warranties

The representations and warranties of Vendors contained in Sections 3.1 and 3.2 will survive Closing of the purchase and sale herein provided for and, notwithstanding Closing or any documents delivered or investigations made in connection therewith, will continue in full force and effect for the benefit of Purchaser for a period of 12 months from the date of Closing, other than for matters in respect of Taxes, which will continue in full force and effect for the benefit of Purchaser until the day after the last appeal period under the Applicable Tax Legislation; for matters in respect of Environmental Laws, which will continue in full force and effect for the benefit of Purchaser for a period of 5 years from the date of Closing; and for matters in respect of Section 3.2 which will survive indefinitely.

3.5 Representations and Warranties of Purchaser

Purchaser represents and warrants to Vendors that each of the statements contained in Section 3.5 is true and correct as at the time of execution and delivery of this Agreement by Purchaser and each of such statements will be true and correct at the Closing Time (except for any such statement which expressly indicates some other time), and Purchaser acknowledges that Vendors are relying on such representations and warranties in connection with the sale of the Purchased Shares and the completion of the other transactions hereunder.

- (a) **Corporate Standing and Authority of Purchaser** – Purchaser is a corporation duly organized, validly existing and up to date with all its corporate filings under the laws of the jurisdiction of its amalgamation. Purchaser has all necessary corporate power, authority and capacity to enter into this Agreement and each agreement contemplated to be executed and delivered hereunder by Purchaser at or before the Closing Time and to perform its obligations hereunder and thereunder.
- (b) **Corporate Action of Purchaser** - Purchaser has taken all necessary actions, steps and corporate or other proceedings to approve and authorize, validly and effectively, the entering into and the execution, delivery and performance of this Agreement and each agreement contemplated to be executed and delivered by it hereunder and the sale and transfer of the Purchased Shares to Purchaser.
- (c) **Binding and Enforceable Agreement** - This Agreement has been duly authorized, executed and delivered by Purchaser and constitutes a legal, valid and binding obligation of Purchaser.
- (d) **Binding Effect of Other Agreements** - At the Closing Time, each agreement contemplated to be executed and delivered hereunder by Purchaser at or before the Closing Time will have been duly authorized, executed and delivered by Purchaser and will constitute a legal, valid and binding obligation of Purchaser.
- (e) **No Conflicting Interests** - The execution and delivery of this Agreement and each agreement or document to be executed and delivered hereunder and the consummation of the transactions contemplated herein will not violate, be in conflict with, result in a breach of, constitute a default, or cause the acceleration of any obligation of Purchaser under:
 - (i) any agreement, lease, contract, indenture, instrument, licence, permit or authority to which Purchaser is or is entitled to be, a party or to which any or all of its property is subject,
 - (ii) any provision of the articles, bylaws or other constating documents, or any resolutions of the board of directors (or any committee thereof) or shareholders of Purchaser;
 - (iii) any judgment, decree, order, statute, rule or regulation applicable to Purchaser, or
 - (iv) any provision of law or regulation of any governmental or regulatory authority or any judicial or administrative order, award, judgment or decree applicable to Purchaser.

- (f) **Purchaser Preferred Shares** – The Purchaser Preferred Shares to be issued to the Vendors when issued in accordance with the terms and conditions of this Agreement will be validly issued and non-assessable preferred shares of Purchaser. The Purchaser shall use its commercially reasonable efforts to ensure that the Purchaser Preferred Shares to be issued to the Vendors are conditionally accepted for listing on the Canadian Stock Exchange (“CSE”) on the date of their issuance, subject only to fulfillment of such conditions as may be specified by the CSE within the period specified by the CSE.
- (g) **Approvals to Transactions** – No consent or approval of any Person is required for the execution, delivery or performance by the Purchaser of the transactions contemplated by this Agreement or for the execution, delivery or performance by the Purchaser of any other agreement contemplated hereunder to be delivered by the Purchaser at or before the Closing Time.
- (h) **Resale** – The Purchaser Preferred Shares to be issued to the Vendors when issued in accordance with the terms and conditions of this Agreement shall not be subject to any restrictions on transfer or resale extending more than four months and one day following the Closing Date and shall thereafter be free-trading.

3.6 Non-Waiver

No investigations made by or on behalf of any Vendor at any time will have the effect of waiving, diminishing the scope of or otherwise affecting any representation or warranty made by Purchaser herein or pursuant hereto.

3.7 Nature and Survival of Representations and Warranties

The representations and warranties of Purchaser contained in this Agreement will survive Closing of the purchase and sale herein provided for and, notwithstanding Closing or any documents delivered or investigations made in connection therewith, will continue in full force and effect for the benefit of the Vendors, for a period of 12 months from the Closing Date.

ARTICLE 4 COVENANTS OF THE PARTIES

4.1 Covenants of Vendors and the Company

Vendors and the Company covenant and agree with Purchaser, during the period from the date hereof to the Closing Time, as set forth below.

- (a) **No Shopping** - Each of the Vendors and the Company agree that it will not, nor will it permit, any of its respective Associates, Affiliates, agents, consultants, advisors or representatives to solicit, initiate, encourage, or participate in any discussions or negotiations with any third party concerning:
 - (i) any sale of the Assets or any portion thereof;
 - (ii) any sale of the Purchased Shares or any portion thereof to any Person other than Purchaser; or

(iii) any merger, amalgamation, consolidation, business combination or similar transaction involving the Company.

(b) **Examination and Investigation** - Immediately after the execution and delivery of this Agreement and prior to the Closing Time, each of the Vendors and the Company will permit employees, advisors and representatives of Purchaser full and complete access to all facilities and premises and all current and historical Records of the Company and information of every nature and kind within each Vendor's and the Company's possession or control which relate to:

(i) the acquisition, development, construction, operation, maintenance, or ownership of any of the Assets or the Business;

(ii) the incorporation, organization, operations, or financial position of the Company; and

(iii) the acquisition or ownership of the Purchased Shares,

For the purpose of reviewing the Records of the Company and such information, such employees, advisors, and representatives will be permitted to make copies of such Records and information as they may deem advisable. Each Vendor and the Company will make their auditors, counsel and other representatives, as applicable, available for consultation with respect to any information so obtained.

(c) **Conduct of the Company** - Vendors will cause the Company to, and the Company will:

(i) operate and maintain the Business in a good and business-like manner in the ordinary course thereof so as to:

(A) maintain and enhance the goodwill of the Business;

(B) preserve and protect the Assets; and

(C) maintain the Company's relationship with the Suppliers and customers,

(ii) take all action within its reasonable control to ensure that the representations and warranties of the Vendors and the Company hereunder are true and correct at the time indicated for such representations and warranties;

(iii) promptly notify Purchaser of any facts that come to its attention which would cause the Vendors' or the Company's representations and warranties herein to be untrue in any material respect;

(iv) promptly notify Purchaser in writing of any Material Adverse Change in the Business, the Assets or the Company;

(v) ensure that the Company does not issue any securities;

(vi) ensure that the Company does not create, incur or assume any long-term debt of any kind or create any Encumbrance upon any of the Assets or provide any Financial Assistance to any Person;

- (vii) ensure that the Company does not take any action that is out of the ordinary course of the Business without the prior express written consent of Purchaser; and
 - (viii) maintain existing policies of insurance and give all notices and present all claims under all policies of insurance in a due and timely fashion.
- (d) **Conditions of Closing** – Each of the Vendors and the Company will use their reasonable commercial efforts to cause all of the conditions for the benefit of Purchaser to be fulfilled at or before the Closing Time.

4.2 Confidentiality

Purchaser will keep confidential and not disclose to any third party any information of a proprietary or confidential nature (“**Confidential Information**”) disclosed by any Vendor or the Company to Purchaser in respect of the Business or the Assets until the Closing, or if Closing does not occur, at all times hereafter. Each Vendor and the Company will keep confidential and not disclose to any third party any Confidential Information disclosed by Purchaser to any Vendor and the Company in respect of the business or affairs of Purchaser until the Closing, or if Closing does not occur, at all times hereafter. Each Vendor and the Company will keep confidential and not disclose to any third party any Confidential Information disclosed by Purchaser to any Vendor and the Company in respect of the business or affairs of Purchaser regardless of whether this Agreement is terminated or Closing occurs. It is understood and agreed that the term “Confidential Information” will not include information that is within the public domain prior to the date hereof without fault by any Party, information available to the receiving Party and not subject to a confidentiality restriction, or information required to be disclosed by compulsion of law or court order. The receiving Party may disclose any such Confidential Information to its directors, officers, employees and professional advisors only on a “need to know basis” in respect of completing the transactions herein, provided such directors, officers, employees and advisors are made aware of the confidentiality of the same. If the transactions herein are not consummated, the receiving Party will immediately return or destroy all Confidential Information and copies thereof in its possession and forthwith deliver to the disclosing Party a certificate of a senior officer attesting to such return or destruction. It is understood and agreed that the terms of this Section 4.2 will be binding upon and will enure to the benefit of the Parties, whether or not the conditions set out in Article 5 are fulfilled and whether or not the transactions contemplated herein close.

ARTICLE 5 CONDITIONS PRECEDENT

5.1 Purchaser’s Conditions

The obligation of Purchaser to complete the purchase of the Purchased Shares and to complete the other transactions contemplated by this Agreement will be subject to the satisfaction of, or compliance with, at or before the Closing Time, the conditions set forth below (which are hereby acknowledged to be inserted for the exclusive benefit of Purchaser and may be unilaterally waived in writing by Purchaser in whole or in part).

- (a) **Truth and Accuracy of Representations** - All of the representations and warranties of Vendors set forth in this Agreement will be true and correct as at the Closing Time in every respect with the same force and effect as though made at the Closing Time and a certificate of each of the Vendors dated the date of Closing to that effect will have been

delivered to Purchaser, such certificate to be in form and substance satisfactory to Purchaser acting reasonably.

- (b) **Compliance with Agreement** - All of the terms, covenants, agreements and conditions of this Agreement to be complied with or performed by Vendors and the Company at or before the Closing Time will have been complied with or performed in all respects, and a certificate of Vendors and a senior officer of the Company, dated the date of Closing to that effect will have been delivered to Purchaser, such certificates to be in form and substance satisfactory to Purchaser acting reasonably.
- (c) **Receipt of Closing Documentation** - Purchaser will have received all documentation and deliveries required to be delivered to Purchaser at or before the Closing Time in accordance with this Agreement.
- (d) **Consents and Approvals** - Each of the Consents and Approvals shall have been obtained by, or on behalf of, the Company, if applicable.
- (e) **No Restrictions** - At the Closing Time, no action or proceeding, judicial (at law or in equity) or extra-judicial will be pending or threatened by any Person to enjoin, restrict or prohibit:
 - (i) the purchase and sale contemplated hereby; or
 - (ii) the right of the Company or Purchaser from and after the Closing Time to conduct the Business.
- (f) **Concurrent Closings** - All of the conditions precedent to the obligations of Purchaser to complete the transactions herein contemplated or contemplated in the other agreements contemplated or required hereby and the Schedules will have been fulfilled or satisfactorily performed in accordance therewith including, without limitation, the delivery of all documents required to be delivered thereunder.
- (g) **Resignation of Directors and Officers** - Each of the directors and officers of the Company will have resigned from the Company effective as at the Closing Time.
- (h) **No Encumbrances** - The Assets and the Purchased Shares will be free and clear of all Encumbrances.
- (i) **Outside Date** - The Closing shall have occurred on or prior to the Outside Date.

5.2 Conditions of Vendors

The obligation of Vendors to complete the sale of the Purchased Shares and to complete the other transactions contemplated by this Agreement (as applicable) will be subject to the satisfaction of, or compliance with, at or before the Closing Time, the conditions set forth below (which are hereby acknowledged to be inserted for the exclusive benefit of Vendors and may be unilaterally waived in writing by Vendors in whole or in part).

- (a) **Truth and Accuracy of Representations** - All of the representations and warranties of Purchaser set forth in this Agreement will be true and correct as at the Closing Time in every material respect with the same force and effect as though made at the Closing

Time, and a closing certificate of a senior officer of Purchaser dated the date of Closing to that effect will have been delivered to Vendor such certificate to be in form and substance satisfactory to Vendor acting reasonably.

- (b) **Compliance with Agreement** - All of the terms, covenants, agreements and conditions of this Agreement to be complied with or performed by Purchaser at or before the Closing Time will have been complied with or performed in all respects, and a certificate to that effect of a senior officer of Purchaser dated the date of Closing will have been delivered to Vendors, such certificate to be in form and substance satisfactory to Vendors acting reasonably.
- (c) **Receipt of Closing Documentation** - Vendors will have received all documentation and deliveries required to be delivered to Vendors at or before the Closing Time in accordance with this Agreement.
- (d) **Consents and Approvals** - Each of the Consents and Approvals shall have been obtained by, or on behalf of the Purchaser, if applicable.
- (e) **No Restrictions** - At the Closing Time, no action or proceeding, judicial (at law or in equity) or extra-judicial will be pending or threatened by any Person to enjoin, restrict or prohibit:
 - (i) the purchase and sale contemplated hereby; or
 - (ii) the right of the Company or Purchaser from and after the Closing Time to conduct the Business.
- (f) **Outside Date** - The Closing shall have occurred on or prior to the Outside Date.

5.3 Rights of Purchaser

If any condition in Section 5.1 has not been fulfilled at or before the Closing Time, then the Purchaser in its sole discretion may, without limiting any rights or remedies available to Purchaser at law or in equity, either:

- (a) terminate this Agreement by notice to Vendors, in which event Purchaser shall be released from all obligations under this Agreement, other than any obligations set out in Section 4.2; or
- (b) waive compliance with any such condition without prejudice to its right of termination in the event of non-fulfillment of any other condition.

5.4 Rights of Vendors

If any condition in Section 5.2 shall not have been fulfilled at or before the Closing Time, then Vendors in their sole discretion may, without limiting any rights or remedies available to Vendors at law or in equity, either:

- (a) terminate this Agreement by notice to Purchaser in which event Vendors shall be released from all obligations under this Agreement, other than any obligations set out in Section 4.2; or

- (b) waive compliance with any such condition without prejudice to their right of termination in the event of non-fulfillment of any other condition.

ARTICLE 6 CLOSING

6.1 Place of Closing

The Closing will take place at the Closing Time at the offices of Torys LLP in Calgary, Alberta or at such other place as may be agreed upon by the Parties.

6.2 Deliveries by Vendors

At the Closing Time and at the place of Closing, Vendors will deliver or cause to be delivered to Purchaser, as applicable:

- (a) share certificates representing the Purchased Shares duly endorsed for transfer to Purchaser;
- (b) certificates of incumbency for each corporate Vendor and the Company listing all of the directors and officers of such corporate Vendor and the Company as at Closing;
- (c) a certificate of good standing, or equivalent, of each corporate Vendor and the Company;
- (d) a certified copy of resolutions of the directors of the Company consenting to the transfer of the Purchased Shares to Purchaser and authorizing the registration of such transfer on the share registers of the Company;
- (e) a certified copy of resolutions of the directors (and, if applicable the shareholders) of any corporate Vendor consenting to the transfer of the Purchased Shares to Purchaser;
- (f) the certificates contemplated by Sections 5.1(a) and (b);
- (g) written third party consents to the extent required by Section 5.1(d);
- (h) evidence satisfactory to Purchaser of the discharge of any security interests registered against the Assets and/or the Purchased Shares;
- (i) the minute books and corporate seal, if any, of the Company;
- (j) resignations of the directors and officers of the Company;
- (k) releases of the Company by each Vendor and by each of the Company's directors and officers in form satisfactory to Purchaser;
- (l) a final version of the Financial Statements, substantially in the same form and content, in the Purchaser's sole opinion, acting reasonably, as the draft financial statements provided by the Company to the Purchaser as at the date hereof;
- (m) an executed copy of the Loan Assignment Agreement from Northurst Inc.; and

- (n) such other certificates or documents as Vendor and the Company are required to deliver pursuant to the terms of this Agreement or as Purchaser or its counsel may reasonably require, including, without limitation, those documents set out in Section 5.1.

6.3 Deliveries of Purchaser

At the Closing Time and at the place of Closing, Purchaser will deliver or cause to be delivered to Vendor:

- (a) share certificates representing the 130,000,000 Purchaser Preferred Shares in the names and amounts of the Vendors as set forth in Schedule 2.3;
- (b) a certified copy of a resolution of the directors of Purchaser consenting to the purchase of the Purchased Shares and the issuance of the Purchaser Preferred Shares;
- (c) written third party consents to the extent required by Section 5.2(d);
- (d) the certificates contemplated by Sections 5.2(a) and (b);
- (e) such other certificates or documents as Purchaser is required to deliver pursuant to the terms of this Agreement or as Vendors or its counsel may reasonably require including, without limitation, those documents set out in Subsection 5.2;
- (f) a certificate of incumbency of the Purchaser listing all of the directors and officers of the Purchaser as at Closing;
- (g) certified copies of the constating documents of the Purchaser;
- (h) a certificate of status of the Purchaser;
- (i) conditional approval of the CSE with respect to the applicable Transactions;
- (j) an executed copy of the Loan Assignment Agreement from the Purchaser and a wire transfer, certified cheque or bank draft payable to Northurst Inc. in the amount of the consideration thereunder; and
- (k) an opinion of counsel to the Purchaser in respect of the matters set out in Schedule 6.3(k).

6.4 Closing Escrow

All payments or documents delivered by any Person at the Closing Time will be deemed not to have been delivered until Vendors and Purchaser, acting reasonably and in good faith, have declared that they are satisfied with the form and substance of all of the payments and documents to be delivered to such Person at Closing and until all conditions to the delivery or release of any payments or documents to be delivered at the Closing Time by parties other than Vendors or Purchaser will have been satisfied.

ARTICLE 7 INDEMNIFICATION

7.1 Indemnity by Vendors

Vendors shall, on a joint and several basis, indemnify and hold Purchaser, its directors, officers, employees, agents and representatives and Purchaser's Affiliates and their respective directors, officers, employees, agents and representatives, without duplication, harmless in respect of any claim, demand, action, cause of action, damage, loss, cost, liability or expense (hereinafter referred to as a "**Claim**") which may be made or brought against an Indemnified Party or which it may suffer or incur directly or indirectly as a result of, in respect of or arising out of:

- (a) any incorrectness in or breach of any representation or warranty of any Vendor contained in this Agreement or under any other agreement, certificate or instrument executed and delivered pursuant to this Agreement; and
- (b) any breach of or any non-fulfilment of any covenant or agreement on the part of any Vendor under this Agreement or under any other agreement, certificate or instrument executed and delivered pursuant to this Agreement; and
- (c) all claims, demands fines, penalties, costs and expenses of any nature whatsoever (including, without limitation, legal fees, charges and disbursements on a solicitor and his own client basis) in respect of the foregoing.

7.2 Indemnity by Purchaser

Purchaser shall indemnify and hold Vendors, their respective directors, officers, employees, agents and representatives and Vendors' Affiliates and their respective directors, officers, employees, agents and representatives, without duplication, harmless in respect of any Claim which may be made or brought against an Indemnified Party or which it may suffer or incur directly or indirectly as a result of, in respect of or arising out of:

- (a) any incorrectness in or breach of any representation or warranty of Purchaser contained in this Agreement or under any other agreement, certificate or instrument executed and delivered pursuant to this Agreement; or
- (b) any breach or non-fulfilment of any covenant or agreement on the part of Purchaser under this Agreement or under any other agreement, certificate or instrument executed and delivered pursuant to this Agreement;
- (c) Taxes for any period after the Closing Date with respect to the Company; and
- (d) all claims, demands fines, penalties, costs and expenses of any nature whatsoever (including, without limitation, legal fees, charges and disbursements on a solicitor and his own client basis) in respect of the foregoing.

7.3 Notice of Claim

If an Indemnified Party becomes aware of a Claim in respect of which indemnification is provided for pursuant to either of Section 7.1 or 7.2, as the case may be, the Indemnified Party shall promptly give written notice of the Claim to the Indemnifying Party. Such notice shall specify whether the Claim arises

as a result of a claim by a Person against the Indemnified Party (a “**Third Party Claim**”) or whether the Claim does not so arise (a “**Direct Claim**”), and shall also specify with reasonable particularity (to the extent that the information is available):

- (a) the factual basis for the Claim; and
- (b) the amount of the Claim, if known.

7.4 Direct Claims

In the case of a Direct Claim, the Indemnifying Party shall have sixty (60) days from receipt of notice of the Claim within which to make such investigation of the Claim as the Indemnifying Party considers necessary or desirable. For the purpose of such investigation, the Indemnified Party shall make available to the Indemnifying Party the information relied upon by the Indemnified Party to substantiate the Claim, together with all such other information as the Indemnifying Party may reasonably request. If both parties agree at or before the expiration of such sixty (60) day period (or any mutually agreed upon extension thereof) to the validity and amount of such Claim, the Indemnifying Party shall immediately pay to the Indemnified Party the full agreed upon amount of the Claim, failing which the matter shall be referred to binding arbitration in such manner as the parties may agree or shall be determined by a court of competent jurisdiction.

7.5 Third Party Claims

In the case of a Third Party Claim, the Indemnifying Party shall have the right, at its expense, to participate in or assume control of the negotiation, settlement or defence of the Claim. If the Indemnifying Party elects to assume such control, the Indemnifying Party shall reimburse the Indemnified Party for all of the Indemnified Party’s out-of-pocket expenses incurred as a result of such participation or assumption. The Indemnified Party shall have the right to participate in the negotiation, settlement or defence of such Third Party Claim and to retain counsel to act on its behalf, provided that the fees and disbursements of such counsel shall be paid by the Indemnified Party unless the Indemnifying Party consents to the retention of such counsel at its expense or unless the named parties to any action or proceeding include both the Indemnifying Party and the Indemnified Party and a representation of both the Indemnifying Party and the Indemnified Party by the same counsel would be inappropriate due to the actual or potential differing interests between them (such as the availability of different defences). The Indemnified Party shall cooperate with the Indemnifying Party so as to permit the Indemnifying Party to conduct such negotiation, settlement and defence and for this purpose shall preserve all relevant documents in relation to the Third Party Claim, allow the Indemnifying Party access on reasonable notice to inspect and take copies of all such documents and require its personnel to provide such statements as the Indemnifying Party may reasonably require and to attend and give evidence at any trial or hearing in respect of the Third Party Claim. If, having elected to assume control of the negotiation, settlement or defence of the Third Party Claim, the Indemnifying Party thereafter fails to conduct such negotiation, settlement or defence with reasonable diligence, then the Indemnified Party shall be entitled to assume such control and the Indemnifying Party shall be bound by the results obtained by the Indemnified Party with respect to such Third Party Claim.

7.6 Settlement of Third Party Claims

If the Indemnifying Party fails to assume control of the defence of any Third Party Claim, the Indemnified Party shall have the exclusive right to contest, settle or pay the amount claimed. Whether or not the Indemnifying Party assumes control of the negotiation, settlement or defence of any Third Party Claim, the Indemnifying Party shall not settle any Third Party Claim without the written consent of the

Indemnified Party, which consent shall not be unreasonably withheld or delayed; provided, however, that the liability of the Indemnifying Party shall be limited to the proposed settlement amount if any such consent is not obtained for any reason within a reasonable time after the request therefor.

7.7 Interest on Claims

The amount of any Claim submitted under Section 7.1 or Section 7.2 as damages or by way of indemnification shall bear interest from and including the date any Indemnified Party is required to make payment in respect thereof at the Prime Rate calculated from and including such date to but excluding the date reimbursement of such Claim by the Indemnifying Party is made, and the amount of such interest shall be deemed to be part of such Claim.

7.8 Tax Adjustments

(a) The amount of any Claim submitted under Section 7.1 or 7.2 as damages or by way of indemnification shall be determined on an after-tax basis, and without limiting the generality of the foregoing shall:

(i) be net of the present value of any Tax benefits to the Indemnified Party resulting from the claim for indemnity and indemnification; and

(ii) include the amount necessary to hold the Indemnified Party harmless after Tax,

and the present value of any Tax benefits shall be the amount, calculated on the date that is the Business Day immediately preceding the date of payment of the Claim, that is required to provide a yield from such date to the last day of the latest taxation year of the Indemnified Party to which the Tax benefits relate that is equal to the sum of the yield to maturity on such date, assuming semi-annual compounding, that a non-callable Government of Canada bond would carry if issued in Canadian dollars in Canada at 100% of its principal amount on such date and maturing approximately on the last day of the latest taxation year of the Indemnified Party to which the Tax benefits relate, plus the Prime Rate.

(b) The amount of any Claim submitted under Section 7.1 or 7.2 as damages or by way of indemnification as determined without regard to this Section 7.8 shall be increased by an amount equal to the rate of Goods and Services Tax applied to such amount.

7.9 Set-off

Purchaser shall be entitled to set-off the amount of any Claim submitted under Section 7.1 as damages or by way of indemnification against any other amounts payable by Purchaser to Vendor whether under this Agreement or otherwise.

ARTICLE 8 GENERAL

8.1 Amendment of Agreement

No supplement, modification, waiver or termination of this Agreement will be binding unless executed in writing by the Party to be bound thereby.

8.2 Waiver

No waiver of any of the provisions of this Agreement will be valid unless in writing and no such waiver will constitute nor be deemed to constitute a waiver of any other provisions (whether or not similar) nor will such waiver constitute a continuing waiver unless otherwise expressly provided.

8.3 Applicable Law

This Agreement will be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

8.4 Severability

Any Article, Section, Subsection, Schedule or other subdivision or any other provision of this Agreement that is deemed to be or becomes void, illegal, invalid or unenforceable will be severable herefrom and ineffective to the extent of such voidability, illegality, invalidity or unenforceability, and will not invalidate, affect or impair the remaining provisions hereof, which provisions will be severable from any void, illegal, invalid or unenforceable Article, Section, Subsection, Schedule or other subdivision or provision hereof.

8.5 Time of Essence

Time will be of the essence in this Agreement.

8.6 Entire Agreement

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. There are no conditions, warranties, representations or other agreements between the parties in connection with the subject matter of this Agreement (whether oral or written, express or implied, statutory or otherwise) except as specifically set out in this Agreement.

8.7 Notices

Any notice or other writing required or permitted to be given hereunder or for the purposes hereof to any Party will be sufficiently given if delivered personally or by electronic mail to such Party:

(a) in the case of a notice to the Vendors:

Northurst Inc. [Redacted] [Redacted] Attention: Richard Schnurbach Email: [Redacted]	9288-1473 Quebec Inc. [Redacted] [Redacted] Attention: Benjamin Ahdoot Email: [Redacted]
Crypcom Inc. [Redacted] [Redacted] Attention: Dimitri Konchin Email: [Redacted]	David DesLauriers [Redacted] [Redacted] Email: [Redacted]

Michael DesLauriers [REDACTED] [REDACTED] Email: [REDACTED]	2605560 Ontario Inc. [REDACTED] [REDACTED] Attention: John Vettese Email: [REDACTED]
1917478 Ontario Corp. [REDACTED] [REDACTED] Attention: Julian Bharti Email: [REDACTED]	Boulton Financial Services Limited [REDACTED] [REDACTED] Attention: Paul Kania Email: [REDACTED]
Cambridge Capital Ltd. [REDACTED] [REDACTED] Attention: Craig Bridgman Email: [REDACTED]	Grandhill Capital Inc. [REDACTED] [REDACTED] Attention: Yoel Altman Email: [REDACTED]
John Kennedy Fitzgerald [REDACTED] [REDACTED] Email: [REDACTED]	

(b) in the case of a notice to Purchaser:

Vogogo Inc.
4600, 525 – 8th Avenue SW
Calgary, AB T2P 1G1
Attention: Chief Executive Officer
Email: gd@a2capital.com

(c) in the case of a notice to the Company:

Crypto 205 Inc.
6500 Trans-Canada Highway, Suite 400
Pointe-Claire, Québec H9R 0A5
Attention: Dimitri Konchin
Email: dkonchin@wisdek.com

or at such other address as the party to whom such writing is to be given will have last notified to the Party giving the same in the manner provided in this Section 8.7. Any notice delivered to the Party to whom it is addressed hereinbefore provided will be deemed to have been given and received on the day it is so delivered at such address, provided that if the notice is delivered after 4:00 p.m. (local time) or if such day is not a Business Day then the notice will be deemed to have been given and received on the Business Day next following such day.

8.8 Enurement

This Agreement will enure to the benefit of and be binding upon the Parties and their respective successors and assigns. Any assignment both prior to Closing and after Closing must not adversely affect the tax or business position of the non-assigning Party.

8.9 Arbitration

- (a) In the event that the Parties fail to perform, or are unable to agree on the performance of, any of the obligations arising from this Agreement after reasonable commercial efforts, then the Parties agree to refer the dispute or disputes to arbitration as provided for in this Section 8.9.
- (b) Any Party may serve another Party written notice that it wishes a matter referred to arbitration. The Parties will meet within 7 days of the receipt of such notice to attempt to agree on a single arbitrator qualified by experience, education and training, to determine such matter. If the Parties are unable to agree on the selection of the arbitrator, the Party that issued such notice will forthwith make application to a judge of the Court of Queen's Bench of the Province of Alberta pursuant to the *Arbitration Act* (Alberta) for the appointment of a single arbitrator, and failing such action on the part of the Party that issued such notice, the other Party may make such application. The arbitrator selected pursuant to this Section will proceed as soon as is practicable to hear and determine the matter in dispute, and will be directed to provide a written decision respecting such matter with 45 days of appointment. The Parties will provide such assistance and information as may be reasonably necessary to enable the arbitrator to determine such matter. Except to the extent modified in this Article, the arbitrator will conduct any arbitration hereunder pursuant to the provisions of the *Arbitration Act* (Alberta). The liability between the Parties for the payment of the compensation and expenses of the arbitrator will be determined by the arbitrator. The results of the arbitration will be binding.

8.10 Expenses

All costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby will be paid by the Party that incurred such costs and expenses.

8.11 Further Assurances

The Parties will provide all such reasonable assurances as may be required to consummate the transactions contemplated hereby, and each Party will provide such further documents or instruments required by any other Party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions, whether before or after Closing.

8.12 Counterparts

This Agreement may be executed in one or more counterparts, which so executed will constitute an original and all of which together will constitute one and the same agreement. A signed counterpart provided by way of telecopier will be as binding upon the Parties as an originally signed counterpart.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF the parties have duly executed this Agreement as of the date first above written.

VOGOGO INC.

By: “Gino DeMichele”
Name: Gino DeMichele
Title: CEO

CRYPTO 205 INC.

By: “Dimitri Konchin”
Name: Dimitri Konchin
Title:

NORTHURST INC.

By: “Richard Schnurbach”
Name: Richard Schnurbach
Title:

9288-1473 QUEBEC INC.

By: “Benjamin Ahdoot”
Name: Benjamin Ahdoot
Title: President

BOULTON FINANCIAL SERVICES LIMITED

By: “Paul Kania”
Name: Paul Kania
Title: President

CAMBRIDGE CAPITAL LTD.

By: “Craig Bridgman”
Name: Craig Bridgman
Title: President

2605560 ONTARIO INC.

By: “John Vettese”
Name: John Vettese
Title:

1917478 ONTARIO CORP.

By: “Julian Bharti”
Name: Julian Bharti
Title: President

GRANDHILL CAPITAL INC.

By: “Yoel Altman”
Name: Yoel Altman
Title:

CRYP.COM INC.

By: “Dimitri Konchin”
Name: Dimitri Konchin
Title:

Witness

“David DesLauriers”
DAVID DESLAURIERS

Witness

“Michael DesLauriers”
MICHAEL DESLAURIERS

Witness

“John Kennedy Fitzgerald”
JOHN KENNEDY FITZGERALD

SCHEDULE "A"
Vendors and Ownership of Common Shares

<u>SHAREHOLDER</u>	<u>NUMBER OF COMMON SHARES</u>	<u>CLASS OF COMMON SHARES</u>
Northurst Inc.	442,308	Class A
9288-1473 Quebec Inc.	88,460	Class B
Boulton Financial Services Limited	70,000	Class B
Cambridge Capital Ltd.	60,000	Class B
2605560 Ontario Inc.	45,000	Class B
1917478 Ontario Corp.	45,000	Class B
Grandhill Capital Inc.	30,000	Class B
David Deslauriers	25,000	Class B
Michael Deslauriers	25,000	Class B
Crypcom Inc.	159,616	Class A
	9,616	Class B
John Kennedy Fitzgerald	110,065	Class B

SCHEDULE “B”
Assets

<i>Item Description</i>	<i>Quantity</i>
Antminer S9	4002
Antminer R4	125
Antminer Power Supplies	4127
Electrical Service panels – Siemens brand	17
Electrical Distribution switchboards – Siemens	3
Distribution transformers	3
LV Transformers	1
Electrical service panels (mechanical/lighting)	2
Rack-mounted PDUs (Eaton)	638
Edge Network switches	54
Core Network switches	2
Router & Firewall	2
Pendant LED Luminaires	30
Exhaust fans	8
20HP Motors (Baldor)	8
Shelving	151
Patch cords (Rj45-Rj45)	2550/ 5000 ft
Circuit breaker for substation	1
C13-C14 Connectors	2500
L6-30 Whip connectors	638
<u>Miscellaneous</u> : ventilation ducting, louvers, gyprock, insulation, electrical and control cabling, electrical hardware and mounting equipment.	

SCHEDULE "C"
Purchaser Preferred Shares

See attached.

VOGOGO INC.

TERMS OF SERIES 1 CONVERTIBLE PREFERRED SHARES

1. Designation and Number of Shares. There shall hereby be created and established a series of preferred shares of Vogogo Inc. (the “**Company**”) designated as “Series 1 Convertible Preferred Shares” (the “**Series 1 Preferred Shares**”). The authorized number of Series 1 Preferred Shares shall be unlimited. Capitalized terms not defined herein shall have the meaning as set forth in Section 18 below. No dividends shall accrue or be payable with respect to the Series 1 Preferred Shares except as set forth in Section 8 below.

2. Ranking. Except with respect to any future series of preferred shares of senior rank to the Series 1 Preferred Shares in respect of the preferences as to dividends, distributions and payments upon the liquidation, dissolution and winding up of the Company (collectively, the “**Senior Preferred Shares**”) or the Series 1 Preferred Shares and any future series of preferred shares of pari passu rank to the Series 1 Preferred Shares in respect of the preferences as to dividends, distributions and payments upon the liquidation, dissolution and winding up of the Company (collectively, the “**Parity Shares**”), all shares of capital stock of the Company shall be junior in rank to all Series 1 Preferred Shares with respect to the preferences as to dividends, distributions and payments upon the liquidation, dissolution and winding up of the Company provided same are issued in accordance with the terms hereof (collectively, the “**Junior Shares**”). The rights of all such shares of the Company shall be subject to the rights, powers, preferences and privileges of the Series 1 Preferred Shares set forth herein. For the avoidance of doubt, in no circumstance will a Series 1 Preferred Share have any rights subordinate or otherwise inferior to the rights of shares of Parity Shares or Common Shares (as defined below).

3. Conversion. Each Series 1 Preferred Share shall be convertible into validly issued, fully paid and non-assessable Common Shares on the terms and conditions set forth in this Section 3.

(a) Holder’s Conversion Right. Subject to the provisions of Section 3(e), at any time or times on or after the Initial Issuance Date, each holder of a Series 1 Preferred Share (each, a “**Holder**” and collectively, the “**Holders**”) shall be entitled to convert any whole number of Series 1 Preferred Shares into validly issued, fully paid and non-assessable Common Shares in accordance with Section 3(c) at the Conversion Rate (as defined below).

(b) Conversion Rate. The number of validly issued, fully paid and non-assessable Common Shares issuable upon conversion of each Series 1 Preferred Share pursuant to Section 3(a) shall initially be set at 1:1 (the “**Conversion Rate**”), subject to adjustment as provided herein.

No fractional Common Shares are to be issued upon the conversion of any Series 1 Preferred Shares. If the issuance would result in the issuance of a fraction of a Common Share, the Company shall round such fraction of a Common Share down to the nearest whole Common Share.

(c) Mechanics of Conversion. The conversion of each Series 1 Preferred Share shall be conducted in the following manner:

(i) Holder’s Conversion. To convert a Series 1 Preferred Share into validly issued, fully paid and non-assessable Common Shares on any Business Day (a “**Conversion Date**”), a Holder shall deliver (whether via facsimile or otherwise), for receipt on or prior to 11:59 p.m., Calgary time, on such date, a copy of an executed notice of conversion of the Series 1 Preferred Shares subject to such conversion

in the form attached hereto as **Exhibit I** (the “**Conversion Notice**”) to the Company. Within five (5) Business Days following a Conversion Notice of any such Series 1 Preferred Shares as aforesaid, such Holder shall surrender to a nationally recognized overnight delivery service for delivery to the Company the original certificates representing the Series 1 Preferred Shares (the “**Preferred Share Certificates**”) so converted as aforesaid.

(ii) Company’s Response. On or before the fifth (5th) Business Day following the date of receipt by the Company of the Preferred Share Certificates subject to the Conversion Notice, the Company shall issue and deliver, or cause to be issued and delivered (via reputable overnight courier) to the address as specified in such Conversion Notice, a certificate, registered in the name of such Holder or its designee, for the number of Common Shares to which such Holder shall be entitled. If the number of Series 1 Preferred Shares represented by the Preferred Share Certificate(s) submitted for conversion pursuant to Section **Error! Reference source not found.** is greater than the number of Series 1 Preferred Shares being converted, then the Company shall issue and deliver to such Holder (or its designee) a new Preferred Share Certificate representing the balance of the number of Series 1 Preferred Shares not converted.

(iii) Record Holder. The Person or Persons entitled to receive the Common Shares issuable upon a conversion of Series 1 Preferred Shares shall be treated for all purposes as the record holder or holders of such Common Shares on the Conversion Date.

(iv) Determinations of the Company. Any question arising with respect to pro rata conversions or any adjustments pursuant to Section 4 shall, absent manifest error, be conclusively determined by the Company and such determination shall, absent manifest error, be binding upon all of the Holders of Series 1 Preferred Shares.

(d) Taxes. The Company shall pay any and all documentary, stamp, transfer (but only in respect of the registered holder thereof), issuance and other similar taxes that may be payable with respect to the issuance and delivery of Common Shares upon the conversion of Series 1 Preferred Shares.

(e) Limitation on Beneficial Ownership. Notwithstanding anything to the contrary contained herein, the Series 1 Preferred Shares held by a Holder shall not be convertible by such Holder, and the Company shall not give effect to any conversion of any Series 1 Preferred Shares held by such Holder, unless and until 61 days’ prior notice is given by the Holder for such conversion (a “**Notice**”). Notwithstanding the foregoing, a Holder may not provide Notice in any manner if, as a result of the conversion of one or more Series 1 Preferred Shares, such Holder or any person acting jointly or in concert (as such term is defined in National Instrument 62-104 *Take-Over Bids and Issuer Bids* (“**Ni 62-104**”)) with such Holder would beneficially own, or exercise direction or control over, in excess of 9.99% (the “**Maximum Percentage**”) of the issued and outstanding Common Shares, and for such calculation, all Common Shares held by the Holder and persons acting jointly or in concert with the Holder shall be aggregated. To the extent the above limitation applies, the determination of whether the Series 1 Preferred Shares held by such Holder shall be convertible (vis-à-vis other convertible, exercisable or exchangeable securities owned or controlled by such Holder or any of its affiliates) and of which such securities shall be convertible, exercisable or exchangeable (as among all such securities owned or controlled by such Holder and its affiliates) shall, subject to such Maximum Percentage limitation, be determined on the basis of the first submission to the Company for conversion, exercise or exchange (as the case may be). No prior inability of a Holder to convert Series 1 Preferred Shares, or of the Company to issue Common Shares to such Holder, pursuant to this Section 3(e) shall have any effect on the applicability of the provisions of this Section 3(e) with respect to any subsequent determination of convertibility or issuance (as the case may be). For purposes of this Section 3(e), beneficial ownership and all determinations and calculations (including, without limitation, with respect to calculations of percentage ownership) shall be determined in accordance with applicable Securities Law, including for greater certainty NI 62-104. The provisions of this Section

3(e) shall be implemented in a manner otherwise than in strict conformity with the terms of this Section 3(e) to correct this Section 3(e) (or any portion hereof) which may be defective or inconsistent with the intended Maximum Percentage beneficial ownership limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such Maximum Percentage limitation. The limitations contained in this Section 3(e) shall apply to a successor holder of Series 1 Preferred Shares. For any reason at any time, upon the written or oral request of a Holder, the Company shall within one (1) Business Day confirm orally and in writing to such Holder the number of Common Shares then outstanding, including by virtue of any prior conversion or exercise of convertible or exercisable securities into Common Shares, including, without limitation, pursuant to these terms or securities issued pursuant to the other Transaction Documents.

4. Adjustments.

(a) Adjustment of Conversion Rate upon Subdivision or Combination of Common Shares. Without limiting any provision of Section 8, if the Company at any time on or after the Initial Issuance Date subdivides (by any share split, share dividends, recapitalization or otherwise) its outstanding Common Shares into a greater number of shares, the Conversion Rate in effect immediately prior to such subdivision will be proportionately increased. Without limiting any provision of Section 8, if the Company at any time on or after the Initial Issuance Date combines (by combination, reverse share split or otherwise) its outstanding Common Shares into a smaller number of shares, the Conversion Rate in effect immediately prior to such combination will be proportionately decreased. Any adjustment pursuant to this Section 4 shall become effective immediately after the effective date of such subdivision or combination. If any event requiring an adjustment under this Section 4 occurs during the period that a Conversion Rate is calculated hereunder, then the calculation of such Conversion Rate shall be adjusted appropriately to reflect such event.

(b) Rights Upon Fundamental Transactions. The Company shall not enter into or be party to a Fundamental Transaction unless the Successor Entity assumes in writing all of the obligations of the Company under these terms in accordance with the provisions of this Section 4(b) pursuant to written agreements in form and substance satisfactory to the Required Holders and approved by the Required Holders prior to such Fundamental Transaction, including agreements to deliver to each holder of Series 1 Preferred Shares in exchange for such Series 1 Preferred Shares a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to these terms and having similar ranking to the Series 1 Preferred Shares, and reasonably satisfactory to the Required Holders. Upon the occurrence of any Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of these terms referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under these terms and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein and therein. In addition to the foregoing, upon consummation of a Fundamental Transaction, the Successor Entity shall deliver to each Holder confirmation that there shall be issued upon conversion of the Series 1 Preferred Shares at any time after the consummation of such Fundamental Transaction, in lieu of the Common Shares (or other securities, cash, assets or other property (except such items still issuable under Section 4(a), which shall continue to be receivable thereafter)) issuable upon the conversion of the Series 1 Preferred Shares prior to such Fundamental Transaction, such shares of a publicly traded class of voting and fully participating "common shares" (or their equivalent) of the Successor Entity (including its Parent Entity) that each Holder would have been entitled to receive upon the happening of such Fundamental Transaction had all the Series 1 Preferred Shares held by each Holder been converted immediately prior to such Fundamental Transaction (without regard to any limitations on the conversion of the Series 1 Preferred Shares contained herein), as adjusted in accordance with the provisions herein. The provisions of this Section 4(b) shall apply similarly and equally to successive Fundamental Transactions

and shall be applied without regard to any limitations on the conversion of the Series 1 Preferred Shares.

5. Authorized Common Shares. The Company shall reserve and authorize for issuance such number of Common Shares as required to satisfy the conversion of each Series 1 Preferred Share as of the Initial Issuance Date (assuming for purposes hereof, that all the Series 1 Preferred Shares issuable pursuant to the Purchase Agreement have been issued, such Series 1 Preferred Shares being convertible at the Conversion Rate and without taking into account any limitations on the conversion of such Series 1 Preferred Shares set forth in herein). So long as any of the Series 1 Preferred Shares are outstanding, the Company shall take all action necessary to reserve and authorize for issuance such number of Common Shares as required to satisfy the conversion of the number of outstanding Series 1 Preferred Shares, as of any given date, at the then applicable Conversion Rate, without taking into account any limitations on the issuance of securities set forth herein.

6. Voting Rights. Holders of Series 1 Preferred Shares shall have no voting rights, except as required by law and as expressly provided in these terms. Subject to Section 3(e), to the extent that holders of the Series 1 Preferred Shares are entitled to vote on a matter with holders of Common Shares, voting together as one class, each Series 1 Preferred Share shall entitle the holder thereof to cast that number of votes per share as is equal to the number of Common Shares into which it is then convertible (subject to the ownership limitations specified in Section 3(e) hereof) using the record date for determining the shareholders of the Company eligible to vote on such matters as the date as of which the Conversion Rate is calculated. Holders of the Series 1 Preferred Shares shall be entitled to written notice of all shareholder meetings or written consents (and copies of proxy materials and other information sent to shareholders) with respect to which they would be entitled to vote, which notice would be provided pursuant to the Company's bylaws and applicable law.

7. Liquidation, Dissolution, Winding-Up. In the event of a Liquidation Event, the Holders shall be entitled to receive in cash out of the assets of the Company, whether from capital or from earnings available for distribution to its shareholders (the "**Liquidation Funds**"), before any amount shall be paid to the holders of any Junior Shares, an amount per Series 1 Preferred Share equal to the initial issue price per share on the Initial Issuance Date, provided that if the Liquidation Funds are insufficient to pay the full amount due to the Holders and holders of Parity Shares, then each Holder and each holder of Parity Shares shall receive a percentage of the Liquidation Funds equal to the full amount of Liquidation Funds payable to such Holder and such holder of Parity Shares as a liquidation preference, in accordance with their respective terms, as a percentage of the full amount of Liquidation Funds payable to all holders of Series 1 Preferred Shares and all holders of Parity Shares. To the extent necessary, the Company shall cause such actions to be taken by each of its Subsidiaries so as to enable, to the maximum extent permitted by law, the proceeds of a Liquidation Event to be distributed to the Holders in accordance with this Section 7. All the preferential amounts to be paid to the Holders under this Section 7 shall be paid or set apart for payment before the payment or setting apart for payment of any amount for, or the distribution of any Liquidation Funds of the Company to the holders of shares of Junior Shares in connection with a Liquidation Event as to which this Section 7 applies.

8. Participation. In addition to any adjustments pursuant to Section 4, the Holders shall, as holders of Series 1 Preferred Shares, be entitled to receive such dividends paid and distributions made to the holders of Common Shares to the same extent as if such Holders had converted each Series 1 Preferred Share held by each of them into Common Shares (without regard to any limitations on conversion herein or elsewhere) and had held such Common Shares on the record date for such dividends and distributions. Payments under the preceding sentence shall be made concurrently with the dividend or distribution to the holders of Common Shares.

9. Vote to Change the Terms of or Issue Series 1 Preferred Shares. In addition to any other rights

provided by law, except where the vote or written consent of the holders of a greater number of shares is required by law or by another provision of the constating documents of the Company, without first obtaining the affirmative vote at a meeting duly called for such purpose or the written consent without a meeting of the Required Holders, voting together as a single class, the Company shall not amend or repeal any provision of, or add any provision to, the constating documents of the Company, or file any certificate of amendment, if such action would adversely alter or change in any respect the preferences, rights, privileges or powers, or restrictions provided for the benefit, of the Series 1 Preferred Shares, regardless of whether any such action shall be by means of amendment to the constating documents of the Company or by merger, consolidation or otherwise.

10. Restrictions on Transfer. In addition to any restrictions imposed by applicable law, the transfer of Series 1 Preferred Shares shall be restricted in that no holder shall be entitled to transfer any such share or shares without: (i) the approval of the directors of the Company expressed by a resolution passed at a meeting of the board of directors or by a written resolution signed by all of the directors of the Company and (ii) if applicable, approval of the exchange on which any of the Company's securities are listed and which exercises regulatory oversight over the Company.

11. Lost or Stolen Certificates. Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of any certificates representing Series 1 Preferred Shares (as to which a written certification and the indemnification contemplated below shall suffice as such evidence), and, in the case of loss, theft or destruction, of an indemnification undertaking by the applicable Holder to the Company in customary and reasonable form and, in the case of mutilation, upon surrender and cancellation of the certificate(s), the Company shall execute and deliver new certificate(s) of like tenor and date.

12. Remedies, Other Obligations, Breaches and Injunctive Relief. The remedies provided in these terms shall be cumulative and in addition to all other remedies available under these terms, at law or in equity (including a decree of specific performance and/or other injunctive relief), and no remedy contained herein shall be deemed a waiver of compliance with the provisions giving rise to such remedy. Nothing herein shall limit any Holder's right to pursue actual and consequential damages for any failure by the Company to comply with the terms hereof. Amounts set forth or provided for herein with respect to payments, conversion and the like (and the computation thereof) shall be the amounts to be received by a Holder and shall not, except as expressly provided herein, be subject to any other obligation of the Company (or the performance thereof). The Company acknowledges that a breach by it of its obligations hereunder may cause irreparable harm to the Holders and that the remedy at law for any such breach may be inadequate. The Company therefore agrees that, in the event of any such breach or threatened breach, each Holder shall be entitled, in addition to all other available remedies, to seek an injunction restraining any such breach or any such threatened breach, without the necessity of showing economic loss and without any bond or other security being required, to the extent permitted by applicable law. The Company shall provide all information and documentation to a Holder that is reasonably requested by such Holder to enable such Holder to confirm the Company's compliance with the terms and conditions of these terms.

13. Noncircumvention. The Company hereby covenants and agrees that the Company will not, by amendment of its constating documents or through any reorganization, transfer of assets, consolidation, merger, plan of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms hereof, and will at all times in good faith carry out all the provisions these terms and take all action as may be reasonably required to protect the rights of the Holders. Without limiting the generality of the foregoing or any other provision of these terms, the Company (i) shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable Common Shares upon the conversion of Series 1 Preferred Shares and (ii) shall, so long as any Series 1 Preferred Shares are outstanding, take all action

necessary to reserve and keep available out of its authorized and unissued Common Shares, solely for the purpose of effecting the conversion of the Series 1 Preferred Shares, the maximum number of Common Shares as shall from time to time be necessary to effect the conversion of the Series 1 Preferred Shares then outstanding (without regard to any limitations on conversion contained herein).

14. Failure or Indulgence Not Waiver. No failure or delay on the part of a Holder in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party.

15. Notices. The Company shall provide each Holder of Series 1 Preferred Shares with prompt written notice of all actions taken pursuant to the terms hereof, including in reasonable detail a description of such action and the reason therefor. All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (i) personally served, (ii) deposited in the mail, registered or certified, return receipt requested, postage prepaid, (iii) delivered by reputable air courier service with charges prepaid, or (iv) transmitted by hand delivery, electronic mail, telegram, or facsimile, addressed as set forth below or to such other address as such party shall have specified most recently by written notice. Any notice or other communication required or permitted to be given hereunder shall be deemed effective (a) upon hand delivery or delivery by facsimile, with accurate confirmation generated by the transmitting facsimile machine, or electronic mail at the address or number designated below (if delivered on a Business Day during normal business hours where such notice is to be received), or the first Business Day following such delivery (if delivered other than on a Business Day during normal business hours where such notice is to be received) or (b) on the second Business Day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The addresses for such communications shall be: (i) if to the Company, to P.O. Box 34023 Westbrook P.O., Calgary, Alberta, T3C 3W2; and if to the Holder to the address in the Purchase Agreement. Without limiting the generality of the foregoing, the Company shall give written notice to each Holder (i) promptly following any adjustment of the Conversion Price, setting forth in reasonable detail, and certifying, the calculation of such adjustment and (ii) at least five (5) days prior to the date on which the Company closes its books or takes a record (A) with respect to any dividend or distribution upon the Common Shares, (B) with respect to any grant, issuances, or sales of any Options, Convertible Securities or rights to purchase shares, warrants, securities or other property to all holders of shares of Common Shares as a class or (C) for determining rights to vote with respect to any dissolution or liquidation, provided, in each case, that such information shall be made known to the public prior to, or simultaneously with, such notice being provided to any Holder.

16. Series 1 Preferred Shares Register. The Company shall maintain at its principal executive offices (or such other office or agency of the Company as it may designate by notice to the Holders), a register for the Series 1 Preferred Shares, in which the Company shall record the name, address, electronic mail and facsimile number of the Persons in whose name the Series 1 Preferred Shares have been issued, as well as the name and address of each transferee. The Company may treat the Person in whose name any Series 1 Preferred Shares is registered on the register as the owner and holder thereof for all purposes, notwithstanding any notice to the contrary, but in all events recognizing any properly made transfers.

17. Shareholder Matters: Amendment.

(a) Shareholder Matters. Any shareholder action, approval or consent required, desired or otherwise sought by the Company pursuant to the applicable laws, the constating documents of the Company, the terms hereof or otherwise with respect to the issuance of Series 1 Preferred Shares may be effected by written consent of the Company's shareholders or at a duly called meeting of the Company's

shareholders, all in accordance with applicable laws.

(b) **Amendment.** Subject to Section 9, the terms or any provision hereof may be amended by obtaining the affirmative vote at a meeting duly called for such purpose of the Required Holders, or written consent without a meeting in accordance with the applicable laws of all Holders, voting separately as a single class, and with such other shareholder approval, if any, as may then be required by applicable laws and constating documents of the Company.

18. **Certain Defined Terms.** For purposes of these terms, the following terms shall have the following meanings:

(a) **“Business Day”** means any day other than Saturday, Sunday or other day on which commercial banks in The City of Calgary are authorized or required by law to remain closed.

(b) **“Common Shares”** means the common shares in the capital of the Company, as constituted from time to time.

(c) **“Convertible Securities”** means any shares or other security (other than Options) that is at any time and under any circumstances, directly or indirectly, convertible into, exercisable or exchangeable for, or which otherwise entitles the holder thereof to acquire, any Common Shares.

(d) **“Fundamental Transaction”** means:

(i) the purchase or acquisition by any Person, or group of Persons acting jointly or in concert, of voting control or direction of an aggregate of 50% or more of the outstanding Common Shares, or securities convertible into or carrying the right to acquire Common Shares, other than as a result of the conversion of the Series 1 Preferred Shares hereunder;

(ii) the completion by the Company of an amalgamation, arrangement, merger or other consolidation or combination of the Company with another corporation or entity which requires approval of the shareholders of the Company pursuant to its constating documents, such that Persons would beneficially own, or exercise control or direction over, voting securities of the Company carrying the right to cast more than 50% of the votes attaching to all voting securities, and immediately following such an event, the directors of the Company immediately prior to such event do not constitute a majority of the board of directors (or equivalent) of the successor or continuing corporation or entity immediately following such event;

(iii) the sale, lease or exchange of all or substantially all of the property of the Company; or

(iv) such other transaction or series of transactions having substantially the same effect as any of the foregoing;

(e) **“Initial Issuance Date”** means [●], 2018.

(f) **“Liquidation Event”** means, whether in a single transaction or series of transactions, the voluntary or involuntary liquidation, dissolution or winding up of the Company or such Subsidiaries the assets of which constitute all or substantially all of the assets of the business of the Company and its Subsidiaries, taken as a whole.

(g) “**Options**” means any rights, warrants or options to subscribe for or purchase Common Shares or Convertible Securities.

(h) “**Parent Entity**” of a Person means an entity that, directly or indirectly, controls the applicable Person or, if there is more than one such Person or Parent Entity, the Person or Parent Entity with the largest public market capitalization as of the date of consummation of the Fundamental Transaction.

(i) “**Person**” means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity or a government or any department or agency thereof.

(j) “**Purchase Agreement**” means that certain Share Purchase Agreement, dated as of March 9, 2018, by and among the Company and each of the shareholders of Crypto 205 Inc. listed therein.

(k) “**Required Holders**” means the holders of at least 50.1% of the outstanding Series 1 Preferred Shares.

(l) “**Securities**” means, collectively, the Series 1 Preferred Shares and the Common Shares issuable upon conversion of the Series 1 Preferred Shares.

(m) “**Securities Laws**” means the *Securities Act* (Alberta), the regulations and rules promulgated under such act, the published policy statements, instruments, notices and blanket orders of the Alberta Securities Commission and the national policy statements, national instruments, and multilateral instruments adopted and applied by the commission, as applicable;

(n) “**Subsidiary**” means any Person in which the Company, directly or indirectly, (i) owns a majority of the outstanding capital shares or holds a majority of equity or similar interest of such Person or (ii) controls or operates all or any part of the business, operations or administration of such Person.

(o) “**Successor Entity**” means the Person (or, if so elected by the Required Holders, the Parent Entity) formed by, resulting from or surviving any Fundamental Transaction or the Person (or, if so elected by the Required Holders, the Parent Entity) with which such Fundamental Transaction shall have been entered into.

(p) “**Transaction Documents**” means these terms, the Purchase Agreement and each of the other agreements and instruments entered into or delivered by the Company or any of the Holders in connection with the transactions contemplated thereby, all as may be amended from time to time in accordance with the terms hereof or thereof.

**VOGOGO INC.
CONVERSION NOTICE**

Reference is made to the terms of the Series 1 Convertible Preferred Shares of Vogogo Inc. (the “**Terms**”). In accordance with and pursuant to the Terms, the undersigned hereby elects to convert the number of Series 1 Convertible Preferred Shares (the “**Series 1 Preferred Shares**”) of Vogogo Inc., an Alberta corporation (the “**Company**”), indicated below into common shares (the “**Common Shares**”) of the Company, as of the date specified below.

Date of Conversion: _____

Number of Series 1 Preferred Shares to be converted: _____

Share certificate no(s). of Series 1 Preferred Shares to be converted: _____

Tax ID Number (If applicable): _____

Conversion Rate: _____

Number of shares of Common Shares to be issued: _____

Please issue the Common Shares into which the Series 1 Preferred Shares are being converted in the following name and to the following address:

Issue to: _____

Address: _____

Telephone Number: _____

Facsimile Number: _____

Holder: _____

By: _____

Title: _____

Dated: _____

Account Number (if electronic book entry transfer): _____

Transaction Code Number (if electronic book entry transfer): _____

SCHEDULE 1.1(a)
Consents and Approvals

Purchaser Consents and Approvals

1. N/A

Vendors and Company Consents and Approvals

1. Landlord consent under the Building Lease.

SCHEDULE 2.3
Payment of Purchase Price

<u>VENDOR</u>	PURCHASER PREFERRED SHARES
Northurst Inc.	51,798,805
Crypcom Inc.	19,818,803
John Kennedy Fitzgerald	12,889,741
9288-1473 Quebec Inc.	10,359,574
Boulton Financial Services Limited	8,197,718
Cambridge Capital Ltd.	7,026,616
2605560 Ontario Inc.	5,269,962
1917478 Ontario Corp.	5,269,962
Grandhill Capital Inc.	3,513,308
David Deslauriers	2,927,756
Michael Deslauriers	2,927,756

SCHEDULE 3.1(k)
Material Contracts

1. Building Lease
2. Services Agreement between the Company and Crypcom Inc., dated January 1, 2018, providing for the provision of certain services as outlined in the agreement by Crypcom Inc. to the Company for a monthly fee (before taxes) of \$20,000.
3. Credit Facility
4. Sales Order to purchase 1,500 Antminer 13.5S9's dated February 22, 2018 by the Company to KYC Electronics Ltd. for a purchase price of US\$5,466,923.28 (the "**Purchase Order**").

SCHEDULE 3.1(I)
Liabilities

1. \$5,000,000 loan outstanding under the Credit Facility.
2. US\$5,466,923 owing under the Purchase Order.

SCHEDULE 3.1(dd)
Directors and Officers

Directors

Dimitri Konchin

Officers

Dimitri Konchin, President

SCHEDULE 3.1(gg)
Insurance

Commercial Package – Insurances Program between Crypto 205 Inc. and Insurers Berkley, RSA & Lloyds dated effective February 19, 2018.

SCHEDULE 3.1(jj)
Suppliers

Andrey Lyamkin

ATH Design Unique Inc.

Eladio Herrero

Globex Telecom

Guard-x Inc.

Hydro Quebec

Hypertec Systems Inc

10356271 Canada Inc.

KYC Electronics Ltd.

Lexor

Montreal Elite Security

Protection Incendie

Viking Inc.

Videotron

Vlad Siniavski

Yuval Vertinski

SCHEDULE 6.3(k)

Opinions

1. The Purchaser is a corporation validly existing under the laws of its jurisdiction of formation and has all requisite corporate power and capacity to carry on its business as now conducted by it and to own its properties and assets and is qualified or registered to carry on business in all jurisdictions in which it owns any material property or assets or carries on or conducts material business.
2. The Purchaser has the corporate power and authority to enter into the Agreement and to perform its obligations thereunder, and the Agreement has been duly authorized, executed and delivered by the Purchaser.
3. The Agreement constitutes a legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms.
4. The execution and delivery of the Agreement and the fulfillment of the terms thereof by the Purchaser and the performance of and compliance with the terms of the Agreement by the Purchaser does and will not result in a breach of, or constitute a default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or constitute a default under any term or provision of the articles of the Purchaser or of which we are aware, any judgment, decree or order, of any court, governmental agency, or body or regulatory authority having jurisdiction over the Purchaser or its properties or assets, any resolutions of the shareholders or directors (or any committee thereof).
5. The Purchaser Preferred Shares have been validly issued as fully paid and non-assessable series 1 convertible preferred shares in the capital of the Purchaser.
6. The offering, issuance, sale and delivery by the Purchaser of the Purchaser Preferred Shares to the Vendors in accordance with the terms of the Agreement is exempt from the prospectus requirements of the applicable securities laws in the Province of Alberta (the “**Applicable Securities Laws**”), and no prospectus or other documents will be required to be filed, no proceeding will be required to be taken and no approval, permit, consent, order or authorization will be required to be obtained under the applicable securities laws in the Province of Alberta to permit the issue and sale of the Purchaser Preferred Shares to the Vendors. We note that, with respect to the offering, issuance, sale and delivery of the Purchaser Preferred Shares to the Vendors, the Purchaser may be required to file within ten days from the date of each issue and sale of Purchaser Preferred Shares, a report of the sale in accordance with Form 45-106F1 of National Instrument 45-106 - *Prospectus Exemptions*. Such report is to be prepared and executed in accordance with the Applicable Securities Laws, and is to be filed together with the requisite filing fee checklist.
7. The first trade of the Purchaser Preferred Shares by a subscriber in Canada, other than a trade which is otherwise exempt from the prospectus requirements of the Applicable Securities Laws, will be a distribution and will be subject to the prospectus requirements of the Applicable Securities Laws unless:
 - a. at the time of such trade the Purchaser is and has been a “reporting issuer” in a jurisdiction of Canada for the four months immediately preceding the first trade;

- b. the trade is not a “control distribution” as defined in Section 1.1 of NI 45-102 - *Resale of Securities* and is not a transaction or part of a series of transactions involving a purchase and sale or a repurchase and resale in the course of or incidental to such a control distribution;
- c. no unusual effort is made to prepare the market or create a demand for the Purchaser Preferred Shares that are the subject of the trade;
- d. no extraordinary commission or consideration is paid to a person or company in respect of the trade; and
- e. if the selling security holder is an “insider” or “officer” of the Purchaser (as such terms are defined under Applicable Securities Laws), the selling security holder has no reasonable grounds to believe that the Purchaser is in default of “securities legislation” (as such term is defined under Applicable Securities Laws).