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REDACTION:
Confidential Information has been
redacted.**

EXECUTION VERSION

ASSET PURCHASE AGREEMENT

made as of FEBRUARY 11, 2023

Between

SORSE TECHNOLOGY CORPORATION

(the “**Seller**”)

and

PASCAL BIOSCIENCES INC.

(the “**Buyer**”)

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ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (the “**Agreement**”) is made and entered into as of February 11, 2023 (the “**Effective Date**”), between SoRSE Technology Corporation, a Delaware corporation having a principal address for business at 401 Queen Anne Avenue N., Seattle, WA 98109 (the “**Seller**”), and Pascal Biosciences Inc., a British Columbia corporation having a principal address at 1600 40th Avenue, Seattle, WA 98122 (the “**Buyer**”); Buyer and Seller are collectively referred to herein as the “**Parties**” and individually as a “**Party**.”

WHEREAS, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, certain assets of the Seller, but only those assets that are exclusively related to the branded consumer products Major, Happy Apple, Pearl, Utopia, Atomic Apple, Vertus, Velvet Swing and Velvet Kiss (the “**Business Unit**”) and listed in Section 2.1 herein (the “**Assets**”).

IN CONSIDERATION of the mutual promises and covenants contained herein, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

ARTICLE 1 – INTERPRETATION

Section 1.1 Definitions

- (1) “**Accounts Payable**” means all trade and other accounts payable, notes payable, loans payable and other indebtedness and obligations to make payments related to the Business Unit at the Closing Time.
- (2) “**Accounts Receivable**” means all accounts receivable, notes receivable, loans receivable and other evidences of indebtedness and rights to receive payments related to the Business Unit at the Closing Time.
- (3) “**Agreement**” has the meaning ascribed to such term in the preamble hereto.
- (4) “**Applicable Law**” means any law, regulation, or other governmental order that applies to or governs the Buyer’s purchase of the Business Unit or sale of products that are related to the Business Unit, or are otherwise applicable to Buyer’s operations.
- (5) “**Assets**” has the meaning ascribed to such term in the preamble hereto.
- (6) “**Business Day**” means any day other than a Saturday, Sunday or statutory holiday in the Province of British Columbia.
- (7) “**Business Unit**” has the meaning ascribed to such term in the preamble hereto.
- (8) “**Buyer**” has the meaning ascribed to such term in the preamble hereto.
- (9) “**Buyer Indemnified Party**” has the meaning ascribed to such term in Section 7.1.
- (10) “**Buyer’s U.S. Subsidiary**” means the Buyer’s wholly-owned U.S. subsidiary, Pascal Biosciences U.S. Inc.

- (11) “**Closing Cash Payment**” has the meaning ascribed to such term in Section 3.1(1)(c).
- (12) “**Closing Date**” and “**Closing**” have the meanings ascribed to such terms in Section 3.3(1).
- (13) “**Closing Time**” means 3:00 p.m. Pacific Time on the Closing Date or such other time on the Closing Date that the Parties agreed to in writing.
- (14) “**Consideration Shares**” has the meaning ascribed to such term in Section 3.1(1)(b).
- (15) “**Conditional Listing Letter**” means the conditional listing letter from the CSE accepting the Shares for listing on the CSE, subject to Buyer fulfilling all the listing requirements of the CSE, including, without limitation, the distribution of Shares to a minimum number of public shareholders and the Buyer meeting certain financial and other requirements.
- (16) “**CSE**” means the Canadian Securities Exchange.
- (17) “**Effective Date**” has the meaning ascribed to such term in the preamble hereto.
- (18) “**Encumbrance**” means any charge, mortgage, lien, pledge, claim, restriction, security interest or other encumbrance whether created or arising by agreement, statute or otherwise at law, attaching to property, interests or rights and shall be construed in the widest possible terms and principles known under the law applicable to such property, interests or rights and whether or not they constitute specific or floating charges as those terms are understood under the laws of the Province of British Columbia.
- (19) “**Foreign Private Issuer**” means a “foreign private issuer” as defined in Rule 405 under the U.S. Securities Act.
- (20) “**Indemnified Party**” has the meaning ascribed to such term in Section 7.3.
- (21) “**Infringe**” has the meaning ascribed to such term in Section 4.1(1)(d).
- (22) “**Licencing Agreements**” and “**Licencing Agreement**” have the meanings ascribed to such terms in Section 2.1(1)(c).
- (23) “**Listing Date**” means the date the Shares are listed on the CSE.
- (24) “**Material Adverse Effect**” means any change, event, effect or occurrence that is, individually or in aggregate, material and adverse to the business, properties, assets, liabilities (including any contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise), capitalization, condition (financial or otherwise), operations or results of operations of Buyer and its subsidiaries, taken as a whole.
- (25) “**New Securities**” means equity securities of the Buyer, whether or not currently authorized, as well as rights, options or warrants to purchase such equity securities, or securities of any type whatsoever that are, or may become, convertible or exchangeable into or exercisable for such equity securities.

- (26) “**Parties**” and “**Party**” have the meanings ascribed to such terms in the preamble hereto.
- (27) “**Partial Assignment**” subject to Section 5.3 the assignment of the Licensing Agreements which shall carve out the obligation by Seller to provide its oil emulsion technology.
- (28) “**Post Share Consolidation**” means the number of Shares issued and outstanding after completion of the Share Consolidation.
- (29) “**Private Placement Financing**” has the meaning ascribed to such term in Section 3.3(1)(a).
- (30) “**Promissory Note**” has the meaning ascribed to such term in Section 3.1(1)(a). As more particularly described in the Promissory Note, principal on the Promissory Note is due and payable on the date that is 12 months from the Closing Date. Interest on the Promissory Note is due and payable in one balloon payment on the date that is 13 months from the Closing Date. If the Buyer defaults on the Promissory Note, interest will be 7.5% per year in excess of the rate otherwise charged on terms more particularly described in the Promissory Note. The Buyer’s U.S. Subsidiary is a party to the Promissory Note (and associated security agreement) and is jointly and severally liable for the repayment of the Promissory Note.
- (31) “**Restricted Period**” has the meaning ascribed to such term in Section 5.1.
- (32) “**Seller**” has the meaning ascribed to such term in the preamble hereto.
- (33) “**Seller Indemnified Party**” has the meaning ascribed to such term in Section 7.1.
- (34) “**Service Agreement**” has the meaning ascribed to such term in Section 3.3(6)(b).
- (35) “**Share Consolidation**” has the meaning ascribed to such term in Section 3.3(3)(a).
- (36) “**Shares**” means the common shares of the Buyer.
- (37) “**Trademark Confirmation**” has the meaning ascribed to such term in Section 3.3(6)(c).
- (38) “**Trademarks**” has the meaning ascribed to such term in Section 2.1(1)(a).
- (39) “**TSXV Delisting**” has the meaning ascribed to such term in Section 3.3(2).
- (40) “**U.S. Securities Act**” means the United States *Securities Act of 1933*, as amended.

Section 1.2 Schedules

The following are the Schedules annexed to this Agreement and incorporated by reference and deemed to be part hereof:

Schedule A – Trademarks

Schedule B – Formulas and Standard Operating Procedures for Consumer Products

Schedule C – License Agreements and Royalty Agreements

Schedule D – Inventories

Schedule E – Equipment

Schedule F – Form of Promissory Note

Schedule G – Registration of Consideration Shares

Schedule H – Form of Service Agreement

Schedule I – Wire Instructions

Section 1.3 Currency

Except as otherwise expressly provided in this Agreement or any ancillary agreement, all dollar amounts referred to in this Agreement or any ancillary agreement are stated in United States dollars. A reference to C\$ means Canadian dollars.

Section 1.4 Additional Rules of Interpretation

- (1) Gender and Number. In this Agreement, unless the context requires otherwise, words in one gender include all genders and words in the singular include the plural and vice versa.
- (2) Headings and Table of Contents. The inclusion in this Agreement of headings of Articles and Sections and the provision of a table of contents are for convenience of reference only and are not intended to be full or precise descriptions of the text to which they refer.
- (3) Section References. Unless the context requires otherwise, references in this Agreement to Sections or Schedules are to Sections or Schedules of this Agreement.
- (4) Words of Inclusion. Wherever the words “include”, “includes” or “including” are used in this Agreement, they will be deemed to be followed by the words “without limitation” and the words following “include”, “includes” or “including” will not be considered to set forth an exhaustive list.
- (5) References to this Agreement. The words “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions will be construed as referring to this Agreement in its entirety and not to any particular Section or portion of it.
- (6) Statute References. Unless otherwise indicated, all references in this Agreement to any statute include the regulations thereunder, in each case as amended, re-enacted, consolidated or replaced from time to time and in the case of any such amendment, re-enactment, consolidation or replacement, reference herein to a particular provision will be read as referring to such amended, re-enacted, consolidated or replaced provision and also include, unless the context otherwise requires, all applicable guidelines, bulletins or policies made in connection therewith and which are legally binding.

(7) Document References. All references herein to any agreement (including this Agreement), document or instrument mean such agreement, document or instrument as amended, supplemented, modified, varied, restated or replaced from time to time in accordance with the terms thereof and, unless otherwise specified therein, includes all schedules and exhibits attached thereto.

(8) Writing. References to “in writing”, “written” and similar expressions include material that is printed, handwritten, typewritten, faxed, emailed, or otherwise capable of being visually reproduced at the point of reception.

(9) Knowledge. Any statement in this Agreement expressed to be made to “the knowledge of” shall be understood to be made on the basis of the applicable Party’s actual knowledge, after diligent inquiry, of the relevant subject matter or on the basis of such knowledge of the relevant subject matter as the Party would have had if it had conducted such diligent inquiry.

ARTICLE 2- SALE OF ASSETS; ASSETS PURCHASED

Section 2.1 Assets Purchased

(1) Upon and subject to the terms and conditions of this Agreement, Seller shall sell to Buyer and Buyer shall purchase from Seller at the Closing Time the Assets. The Assets are limited to:

- (a) the trademarks (the “**Trade marks**”) specifically related to the Business Unit, as set forth in Schedule A;
- (b) the formulas and standard operating procedures for the consumer products exclusively related to the Business Unit, as set forth in Schedule B;
- (c) the active license agreements (collectively, the “**Licensing Agreements**” and individually a “**Licensing Agreement**”) of Seller related to the Business Unit in effect as of the date hereof, as set forth in Schedule C;
- (d) the inventories of Seller at the Closing Time exclusively related to the Business Unit, including all finished goods, work in progress, raw materials, manufacturing supplies, spare parts, packaging materials and all other materials and supplies used or consumed in the production of finished goods, as set forth in Schedule D; and
- (e) the equipment of Seller exclusively related to the Business Unit required for the Buyer to continue the current operations of the Business Unit after Closing, as set forth in Schedule E.

(2) For the avoidance of doubt, the Buyer is not purchasing the Accounts Receivable and the Buyer is not assuming the Accounts Payable.

Section 2.2 Assets Not Purchased

For clarity, the Buyer is not purchasing, and the Seller is not selling, any other assets of the Seller that are not specifically listed in Section 2.1.

ARTICLE 3- PURCHASE PRICE AND TERMS

Section 3.1 Price and Payment

- (1) In consideration for the transfer by Seller to Buyer of the Assets in accordance with this Agreement, Buyer will deliver to Seller:
- (a) a secured promissory note in the principal amount of \$500,000 and bearing interest at 7.5% per annum, in the form attached as Schedule F (“**Promissory Note**”);
 - (b) an aggregate of the greater of (i) 3,555,000 Post Consolidation Shares and (ii) 9.9% of the number of Post Consolidation Shares Buyer has issued and outstanding on the Listing Date (such Shares referred to as the “**Consideration Shares**”), registered in accordance with the instructions set forth in Schedule G; and
 - (c) a wire transfer of immediately available funds to the account designated by Seller in Schedule I in the amount of \$625,000 (the “**Closing Cash Payment**”). The Seller may designate that a portion of the Closing Cash Payment be designated to its legal counsel and if applicable will provide instructions prior to Closing.

Section 3.2 Anti-Dilution

- (1) In the event that Pascal issues any shares of any class or Common Shares Equivalents at a price less than C\$0.05 per share (the “**Protected Price**”) (other than an issuance pursuant to an option agreement with an employee or otherwise to compensate an employee) (the “**Dilutive Shares**”), concurrently with such transaction, Pascal will issue to the Seller additional Shares in an amount which provides the Seller with a percentage interest in the Purchaser which the Consideration Shares would have represented had the Dilutive Shares been issued at a price of C\$0.05 per share. For the purposes of this Agreement, “**Common Shares Equivalent**” means any securities of the Buyer which would entitle the holder thereof to acquire at any time common shares, including, without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, common shares.
- (2) In the event that the Consideration Shares are: (i) subdivided, redivided or the number of outstanding Consideration Shares is changed into a greater number of Consideration Shares; or (ii) reduced, combined or the number of outstanding Consideration Shares is consolidated into a smaller number of Consideration Shares (a “**Share Reorganization**”), the Protected Price shall be adjusted to the amount determined by multiplying the Protected Price by a fraction:
- A. the numerator of which shall be the number of Consideration Shares outstanding on the date of the Share Reorganization, before giving effect to the Share Reorganization; and
 - B. the denominator of which shall be the number of Consideration Shares which will be outstanding immediately after giving effect to such Share Reorganization.

(3) This Section 3.2 shall be in effect from the Closing until the date which is thirteen months from the Closing Date.

Section 3.3 Conditions to Closing and Closing

- (1) Conditions to Closing. The Closing is conditional on the Buyer:
 - (a) raising a minimum of C\$1,000,000 (the “**Private Placement Financing**”); and
 - (b) listing the Shares on the CSE.
- (2) Pre-Closing. Upon receipt of the Conditional Listing Letter, the Buyer will arrange a delisting of the Shares on the TSX-Venture Exchange (the “**TSX-V Delisting**”).
- (3) Promptly after the TSX-V Delisting but prior to Closing, the Buyer will:
 - (a) consolidate the Shares on a ratio of one post consolidated Share for every five pre-consolidation Shares (the “**Share Consolidation**”); and
 - (b) appoint John Kueber as the Chief Executive Officer and director of the Buyer;
 - (c) obtain resignations of all current directors of the Buyer except for Patrick Gray and appoint John Bell and Vahan Ajamian to fill the vacancies created by the resignations so the Buyer’s board of directors will consist of: John Kueber, John Bell and Vahan Ajamian; and
 - (d) change its name to Nevis Brands Inc.;
 - (e) file all CSE listing documents and arrange a Listing Date with the CSE.
- (4) Closing. The closing of the sale of the Assets pursuant to this Agreement will occur on the earlier of the Listing Date and March 31, 2023 (the “**Closing**” or “**Closing Date**”).
- (5) Documents Delivered into Escrow. The Buyer and Seller shall each deliver their respective closing deliveries to their respective legal counsel to be held in escrow for Closing.
- (6) Closing Deliveries of Seller. Unless waived by Buyer in its sole discretion, Seller will deliver to Buyer the following at the Closing:
 - (a) Possession and control of the Assets, including good, valid, and marketable title to the Assets, free and clear of all liens, together with documents evidencing release of any lien on the Assets.
 - (b) A duly executed service agreement in the form attached as Schedule H (the “**Service Agreement**”).
 - (c) A confirmation email from Seller’s US legal counsel with respect to the registration of the Trade Marks (the “**Trademark Confirmation**”).

- (d) Certified copy of resolutions duly adopted by the Board of Directors of Seller, authorizing the execution and delivery of this Agreement and all other documents being entered into by Seller, related to, or arising from, this Agreement.
 - (e) Executed Partial Assignments directly to the Buyer's U.S. Subsidiary.
 - (f) Assignment of the Trademarks directly to the Buyer's U.S. Subsidiary.
 - (g) Such other duly executed agreements, deeds, certificates or other instruments of conveyance, transfer and assignment as will be necessary, in the opinion of Buyer, to vest in Buyer good, valid and marketable title to the Assets.
- (7) Closing Deliveries of Buyer. Unless waived by Seller in its sole discretion, Buyer will deliver to Seller the following at the Closing:
- (a) The Closing Cash Payment, paid by wire transfer of immediately available funds to the account designated by Seller in Schedule I.
 - (b) A share certificate or DRS statement evidencing the Consideration Shares, registered and delivered in accordance with the instructions set forth in Schedule G
 - (c) A duly executed Promissory Note.
 - (d) A copy of the Conditional Listing Letter.
 - (e) A copy of the CSE listing bulletin announcing the listing of the Shares on the CSE.
 - (f) A legal opinion from Buyer's legal counsel to Seller with respect to the enforceability and security registration of the Promissory Note.
 - (g) A duly executed Service Agreement.
 - (h) Certified copy of resolutions duly adopted by the Board of Directors of Buyer, authorizing the execution and delivery of this Agreement and all other documents being entered into by Seller, related to, or arising from, this Agreement.
 - (i) A certificate of good standing for Buyer dated as of one day before the Closing Date.
 - (j) Confirmation that John Kueber was appointed as the Chief Executive Officer prior to Closing.
 - (k) Such other duly executed agreements, deeds, certificates or other instruments of conveyance, transfer and assignment as will be necessary, in the opinion of Seller, to sell the Assets to the Buyer.

ARTICLE 4 - REPRESENTATIONS AND WARRANTIES

Section 4.1 Seller's Representations and Warranties

- (1) The Seller hereby represents and warrants to the Buyer, and acknowledges that Buyer is entering into this Agreement in reliance thereon, as follows:
- (a) Seller is fully authorized to execute, deliver and perform this Agreement and this Agreement constitutes a valid and binding agreement of Seller in accordance with its terms.
 - (b) Except as described in the Agreement and the Trademark Confirmation, the Seller holds good and marketable title to the Assets, free and clear of restrictions on or conditions to transfer or assignment, and free and clear of Encumbrances.
 - (c) Except as described in the Agreement and the Trademark Legal Opinion, the Seller owns (or has the valid right to use) all of the Trademark rights in and relating to the Assets, free of all Encumbrances.
 - (d) (i) To the knowledge of the Seller, the Assets do not infringe, misappropriate, violate, impair or conflict with (“**Infringe**”) any intellectual property of any third party, and, to the knowledge of the Seller, the intellectual property of the Seller is not being Infringed by any third party; (ii) there is no claim or order pending or outstanding or, to the knowledge of the Seller, threatened or imminent (including cease and desist letters or invitations to take a license), that seeks to limit or challenge or that concerns the ownership, use, validity, registrability or enforceability of any intellectual property owned or used by the Seller, and the Seller has received no written notice of the same, and, to the knowledge of the Seller, there is no valid basis for the same; and (iii) all intellectual property purportedly owned by the Seller is owned exclusively by them, free of any claims or interests of third parties (including current and former employees, consultants and contractors or any current or former employers of same).
 - (e) No consent, approval, order or authorization of or from, or registration, notification, declaration or filing with any individual or entity, including without limitation any governmental authority or person, is required in connection with the execution, delivery or performance of this Agreement by Seller or the consummation by Seller of the transactions contemplated herein.

Section 4.2 Buyer's Representations and Warranties

- (1) The Buyer hereby represents and warrants to the Seller, and acknowledges that Seller is entering into this Agreement in reliance thereon, as follows:
- (a) Buyer is a corporation duly organized, validly existing, and in good standing under the laws of British Columbia. Buyer has all requisite corporate power and authority to enter into this Agreement and perform its obligations hereunder. The execution, delivery and performance of this Agreement have been duly authorized and

approved by the Board of Directors of Buyer, and this Agreement constitutes a valid and binding agreement of Buyer in accordance with its terms.

- (b) Buyer's sole subsidiary is the Buyer's U.S. Subsidiary.
- (c) Buyer has at least \$1,500,000 in cash as of the Effective Date, and has sufficient funds available to deliver the Closing Cash Payment and to consummate the transactions contemplated by this Agreement.
- (d) Buyer will use not less than \$170,000 to market and expand the Business Unit within 12 months of the Effective Date.
- (e) The authorized share capital of Buyer consists of an unlimited number of Shares without par value, of which 65,594,768 pre-Share Consolidation Shares are outstanding, on a fully-diluted basis, as of the date hereof. No more than 35,920,325 Post Consolidation Shares, inclusive of the Consideration Shares, will be outstanding, on a fully-diluted basis, as of Closing, subject to any adjust in the number of Shares issued in the Private Placement Financing. Notwithstanding the foregoing and notwithstanding anything else contained in this Agreement, the number of Consideration Shares will be adjusted so that Buyer issues Seller not less than 9.9% of the Shares that Buyer has issued and outstanding on the Listing Date and for the avoidance of doubt, the 9.9% calculation is determined Post Consolidation.
- (f) Buyer has the full and lawful right and authority to issue the Consideration Shares and, when issued in accordance with the terms hereof, the Consideration Shares will be validly issued as fully paid and non-assessable common shares without par value in the capital of the Buyer, free and clear of all liens, charges, restrictions and encumbrances.
- (g) Buyer is a "reporting issuer" in the provinces of British Columbia, Alberta and Ontario and is not in any material default of applicable securities laws.
- (h) The Consideration Shares, when issued, will be listed on the Canadian Securities Exchange and will continued to be listed for a period of 24 months from the Effective Date.
- (i) Buyer is not subject to any cease trade or other order of any applicable stock exchange or securities regulatory authority and, to the knowledge of Buyer, no investigation or other proceedings involving Buyer, which may operate to prevent or restrict trading of any securities of Buyer, are currently in progress or pending before any applicable stock exchange or securities regulatory authority.
- (j) Buyer holds all material licenses and permits required for Buyer to own or lease its property and assets and to carry on its business as conducted as of the date hereof, except where failure to hold such licenses or permits individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect.

- (k) Other than a lawsuit filed by Robert Gietl against the Buyer, there are no actions, suits or proceedings, judicial or administrative (whether or not purportedly on behalf of Buyer) pending or, to the knowledge of Buyer, threatened by or against Buyer, at law or in equity, or before or by any federal, provincial, state, municipal or other governmental court, department, commission, board, bureau, agency or instrumentality, domestic or foreign and Buyer is not aware of any existing ground on which any such action, suit or proceeding might be commenced with any reasonable likelihood of success.
- (l) Buyer has no knowledge of any reasonably likely circumstances pursuant to which the announcement or pendency of this Agreement or the transactions contemplated herein or any change, effect, event or occurrence contemplated by the terms of this Agreement would have a Material Adverse Effect.
- (m) Buyer has conducted and is conducting its business in compliance in all material respects with all applicable law, regulations, by-laws, ordinances, regulations, rules, judgments, decrees and orders of each jurisdiction in which its business is carried on, other than any non-compliance that individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect.
- (n) The material contracts of Buyer are in full force and effect, unamended, and there exists no default, warranty claim or other obligation or liability or event, occurrence, condition or act (including the issuance of the Consideration Shares, and the other transactions contemplated hereunder) which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a default, or give rise to a warranty claim or other obligation or liability thereunder that could reasonably be expected to have a Material Adverse Effect. Buyer has not violated or breached, in any material respect, any of the terms or conditions of any material contract of Buyer and all the covenants to be performed by any other party thereto have been fully and properly performed.
- (o) The Buyer is not a “non-Canadian” within the meaning of the *Investment Canada Act*.
- (p) Buyer will at all times comply with the Applicable Law, including, but not limited to, Buyer’s performance of its obligations hereunder, and Buyer’s purchase and use of the Business Unit (but not including the federal *Controlled Substances Act* as it applies to marijuana). Without limiting the generality of the foregoing, Buyer will (a) at its own expense, maintain all certifications, credentials, licenses and permits necessary to conduct its business relating to the purchase or use of the Business Unit and the sale of products related to the Business Unit and (b) not engage in any activity or transaction involving the Business Unit or products related to the Business Unit, by way of resale, shipment, use or otherwise, that violates any state or local law, regulation, or ordinance concerning marijuana.
- (q) The Buyer is a Foreign Private Issuer and will continue to be a Foreign Private Issuer for a period of 24 months from the Effective Date.

ARTICLE 5- FURTHER AGREEMENTS

Section 5.1 Non-Competition

Subject to Buyer complying with the terms and conditions of this Agreement, Seller agrees not to engage in the sale or licensing of any branded consumer products infused with THC cannabinoids in the United States for a period of three years following the Closing Date (the “**Restricted Period**”). Notwithstanding the foregoing and except as contemplated in the Service Agreement, Buyer agrees that during the Restricted Period, Seller may provide formulation, production, cannabinoid emulsion, or any other related services to any other parties, including current and future customers of Seller, who engage in the sale or licensing of branded consumer products infused with any cannabinoids, including without limitation delta-9-tetrahydrocannabinol (THC) cannabinoids, or otherwise compete directly or indirectly with the Business Unit.

Section 5.2 Expenses

Each Party hereto will bear their own expenses incurred pursuant to this Agreement except as otherwise specifically set forth herein.

Section 5.3 Related Contracts

Buyer acknowledges that the Partial Assignment of the Licensing Agreements between Seller and third-party manufacturers may require written approval by such third parties and/or notice to such third parties. Buyer will arrange for such written approval and/or notice of partial assignment prior to Closing. Buyer also acknowledges that the Licensing Agreements may contain provisions that would create a conflict for Seller, for example a provision that pertains to Seller’s primary business of providing emulsification services, and therefore such assignment is subject to the following exceptions:

- (a) The Seller is retaining, and not assigning, any ownership or rights related to SoRSE (as defined in the applicable agreement) and the Licenses Patents (as defined in the applicable agreement);
- (b) The Seller is not assigning any trademarks described in the applicable agreement other than the Trademarks that have been purchased by Buyer under this Agreement; and
- (c) The Buyer is required to terminate the applicable Licensing Agreements within six months of Closing and to provide evidence of such termination to the Seller. The Buyer is required to execute their own licensing agreement with the applicable licensee and such agreements will not include any trademarks or patents that were not purchased by Buyer under this Agreement.

Section 5.4 Expiration

If the Closing is not held on or before March 31, 2023, then Seller will not be obligated to consummate the transactions contemplated herein, and will be free to discuss, negotiate, and consummate a sale of the Assets with another party as it so chooses.

ARTICLE 6 - DISCLAIMER

OTHER THAN THE REPRESENTATIONS AND WARRANTIES SET FORTH ABOVE, EACH OF THE PARTIES HEREBY DISCLAIM AND EXCLUDE ALL CONDITIONS, WARRANTIES, OR REPRESENTATIONS, WITH RESPECT TO THE ASSETS. IN NO EVENT WILL EITHER PARTY BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL OR INDIRECT DAMAGES, EVEN IF THE PARTIES HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

ARTICLE 7 - INDEMNIFICATION

Section 7.1 Seller's Indemnity

Seller will indemnify, defend and hold Buyer, its parent, owners, subsidiaries and affiliates and their directors, officers, shareholders, employees and agents (each a "**Buyer Indemnified Party**") harmless from and against any claim, including third-party claims, suits, losses, liabilities, injuries or damages (including, without limitation, reasonable outside counsel fees and litigation expenses) arising out of or in connection with any breach by Seller of any representation, warranty or covenant made by Seller under this Agreement. Notwithstanding the foregoing, Seller's Indemnity is limited to the amount of the Closing Cash Payment.

Section 7.2 Buyer's Indemnity

Buyer will indemnify, defend and hold Seller, its parent, owners, subsidiaries and affiliates and their directors, officers, shareholders, employees and agents (each a "**Seller Indemnified Party**") harmless from and against any claim, including third-party claims, suits, losses, liabilities, injuries or damages (including, without limitation, reasonable outside counsel fees and litigation expenses) arising out of or directly relating to the use or operation of the Assets by Buyer or its affiliates after the Closing Date that is not in conformance with documentation and specifications relevant to the Assets.

Section 7.3 Indemnity Notification

If a claim is made against a Buyer Indemnified Party or a Seller Indemnified Party (each, an "**Indemnified Party**"), such Indemnified Party will promptly notify the indemnifying party of such claim. Failure to so notify the indemnifying party will not relieve the indemnifying party of any liability which the indemnifying party might have, except to the extent that such failure materially prejudices the indemnifying party's legal rights. The Indemnified Party will cooperate with the indemnifying party in the defense and/or settlement of the claims; provided however, the indemnifying party will have an opportunity to assume control of the defense of such claim. The Indemnified Party may participate in the defense of the claim at its own cost. Notwithstanding anything contained herein, the Indemnified Party will not enter into any settlement or compromise that provides for any remedy of the claim without the prior written approval of the indemnifying party.

ARTICLE 8 - GENERAL PROVISIONS

Section 8.1 Entire Agreement

This Agreement and all documents contemplated by or delivered under or in connection with this Agreement, constitutes the entire agreement between the parties with respect to the subject matter and supersedes all prior agreements, negotiations, discussions, undertakings, representations, warranties and understandings, whether written or verbal.

Section 8.2 Assignment and Enurement

No Party may assign its rights or obligations under this Agreement without the prior written consent of the other Party, which consent may not be unreasonably withheld or delayed. This Agreement enures to the benefit of and binds the Parties and their respective successors and permitted assigns.

Section 8.3 Severability

(1) If any provision of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect:

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

Section 8.4 Time of Essence

For every provision of this Agreement, time is of the essence.

Section 8.5 Notice

(1) Notice in Writing. Unless otherwise specified, each Notice to a party will be given in writing and delivered personally or by courier, sent by prepaid registered mail, to the party as follows:

- (a) If to Seller:

Name: Sorse Technology Corporation
Address: 401 Queen Anne Avenue N., Seattle, WA, 98109, USA
Attention: Howard Lee, Chief Executive Officer
E-mail: [REDACTED]

With a copy (which shall not constitute notice hereunder) to:

Name: McMillan LLP
Address: Royal Centre, Suite 1500, 1055 West Georgia Street, PO Box 11117,
Vancouver, British Columbia, Canada, V6E 4N7
Attention: James Munro

E-mail: [REDACTED]

(b) If to Buyer:

Name: Pascal Biosciences Inc.

Address: c/o Malaspina Consultants Inc., 1100 – 1199 West Hastings Street,
Vancouver, British Columbia, Canada, V6E 3T5

Attention: Denitsa Doncheva

E-mail: [REDACTED]

Attention : John Kueber

Email : [REDACTED]

With a copy (which shall not constitute notice hereunder) to:

Name: Joanne McClusky

Address: 800 – 1281 West Georgia Street, Vancouver, British Columbia, Canada,
V6E 3J7

E-mail: [REDACTED]

(2) Delivery. Any notice:

- (a) delivered personally or by courier on a business day will be deemed to have been given on that business day;
- (b) sent by prepaid registered mail will be deemed to have been given on the fifth business day after the date of mailing; and
- (c) transmitted by e-mail will be deemed to have given when sent, provided that such e-mail is kept on file by the sending party and the sending party does not receive an automatically generated message from the recipient's e-mail server that such e-mail could not be delivered to such recipient. A copy of the e-mail transmission containing the time, date and recipient e-mail address will be rebuttable evidence of receipt by e-mail.

(3) Delivery on Non-Business Day. Any notice delivered, sent, or transmitted not on a business day will be deemed to be given on the next Business Day.

(4) Disruption of Postal Service. If a notice has been sent by prepaid registered mail and before the fifth business day after the mailing there is a discontinuance or interruption of regular postal service so that the notice cannot reasonably be expected to be delivered within five business days after the mailing, the notice will be deemed to have been given when it is actually received.

Section 8.6 Waivers

No waiver of any provision of this Agreement is binding unless it is in writing and signed by all the parties to this Agreement entitled to grant the waiver. No failure to exercise, and no delay in exercising, any right or remedy, under this Agreement will be deemed to be a waiver of that right

or remedy. No waiver of any breach of any provision of this Agreement will be deemed to be a waiver of any subsequent breach of that provision.

Section 8.7 Submission to Jurisdiction

Each of the parties irrevocably submits to the non-exclusive jurisdiction of the courts of the Province of British Columbia.

Section 8.8 Governing Law

This Agreement and each of the documents contemplated by or delivered under or in connection with this Agreement are governed by, and are to be construed and interpreted in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable in the Province of British Columbia.

Section 8.9 Remedies Cumulative

The rights and remedies under this Agreement are cumulative and are in addition to any other rights and remedies available at law or in equity or otherwise. No single or partial exercise by a party of any right or remedy precludes or otherwise affects the exercise of any other right or remedy to which that party may be entitled.

Section 8.10 Amendments

No amendment, supplement, restatement or termination of any provision of this Agreement is binding unless it is in writing and signed by each person that is a party to this Agreement at the time of the amendment, supplement, restatement or termination.

Section 8.11 No Third Party Rights

This Agreement shall be construed to benefit the Parties and their respective successors and permitted assigns only including the Buyer's U.S. Subsidiary with respect to the rights contemplated in Section 3.3(6)(e) and Section 3.3(6)(f). No other person shall have any rights, interest or claims hereunder or be entitled to any benefits under or on account of this Agreement as a third-party beneficiary or otherwise.

Section 8.12 Counterparts

This Agreement, and any amendment, supplement, restatement or termination of any provision of this Agreement, may be executed and delivered in accordance with Section 8.5 in any number of counterparts, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument.

Section 8.13 Delivery by Electronic Transmission

To evidence the execution of this Agreement or any one of its counterparts, a party may transmit a copy of its original or e-signature on the execution page hereof to the other party by e-mail, or other method of electronic transmission agreed to by the parties, and such transmissions will constitute effective delivery of an executed copy of this Agreement to the receiving party for all purposes.

[The remainder of this page is intentionally left blank. Signature page follows.]

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

SORSE TECHNOLOGY CORPORATION

By:(signed) "*Jeffrey Kendig*" ^{February 11, 2023}

Name: Jeffrey Kendig

Title: Chief Financial Officer

PASCAL BIOSCIENCES INC.

By:(signed) "*Patrick Gray*" ^{February 11, 2023}

Name: Dr. Patrick Gray

Title: Chairman of the Board

**SCHEDULE A
Trade marks**

U.S. Trademark Applications

No.	Case No.	Status	Applicant	Mark	International Classes	Comments
1.	[REDACTED]				[REDACTED]	[REDACTED]
2.	[REDACTED]					
3.	[REDACTED]					
4.	[REDACTED]					

5.	[REDACTED]				[REDACTED]	[REDACTED]
7.	[REDACTED]				[REDACTED]	[REDACTED]
			Corporation			

Registered WA Trademarks

No.	Case No.	Status	Applicant	Mark	International Classes	Comments
1.	[REDACTED]				[REDACTED]	[REDACTED]
2.	[REDACTED]				[REDACTED]	[REDACTED]
3.	[REDACTED]				[REDACTED]	[REDACTED]
4.	[REDACTED]				[REDACTED]	[REDACTED]
5.	[REDACTED]				[REDACTED]	[REDACTED]

6.						
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Foreign Trademark Applications

No.	Case No.	Country/Status	Application Serial No.	Title	International Class	Comments
1.						
2.						

3.	<div style="background-color: black; width: 100%; height: 100%;"></div>	<div style="background-color: black; width: 100%; height: 100%;"></div>	<div style="background-color: black; width: 100%; height: 100%;"></div>
4.	<div style="background-color: black; width: 100%; height: 100%;"></div>	<div style="background-color: black; width: 100%; height: 100%;"></div>	<div style="background-color: black; width: 100%; height: 100%;"></div>
5.		<div style="background-color: black; width: 100%; height: 100%;"></div>	<div style="background-color: black; width: 100%; height: 100%;"></div>
6.		<div style="background-color: black; width: 100%; height: 100%;"></div>	<div style="background-color: black; width: 100%; height: 100%;"></div>
7.		<div style="background-color: black; width: 100%; height: 100%;"></div>	<div style="background-color: black; width: 100%; height: 100%;"></div>

SCHEDULE B
Formulas and Standard Operating Procedures for Consumer Products

Formulas and standard operating procedures for the following consumer products related to the Business Unit:

1. Major Pink Lemonade;
2. Major Blue Raspberry;
3. Major Grape;
4. Major Orange Mango;
5. Major Passionfruit;
6. Major Shot Blackberry Lemonade;
7. Major Shot Fruit Punch;
8. Major Shot Blueberry;
9. Happy Apple;
10. Utopia;
11. Velvet Swing;
12. Velvet Kiss;
13. Atomic Apple; and
14. Pearl

SCHEDULE C
License Agreements

The license agreements Seller related to the Business Unit in effect as of the date of this Agreement are as follows:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

SCHEDULE D
Inventories

All of Seller's physical inventory related to the Assets at the time of Closing, that meets the descriptions listed below:

1. Empty bottles
2. Bottle caps
3. Bottle labels
4. Assorted Flavoring
5. Citric Acid
6. Potassium Metabisulfite
7. Potassium Sorbate
8. Sodium Benzoate
9. Sugar
10. Corrugated Boxes

SCHEDULE E
Equipment

Equipment	Quantity	Identifying Information
10bbl stainless steel tank	1	N/A
Bottle sanitizer pump	1	Everbuilt EBAU33
Bottle Filler	1	Xpress XF460
Portable pump	1	CPE Systems KBDA-24A
Refrigerator	1	Atosa MBF8507GR
Rolling stairs / ladder	1	Uline 6-Steps
Micro-doser machine	2	Brandtech 0.5-5ml
Refractometer	1	Milwaukee MA871
PH Meter	1	Hanna Instruments H1991001
Steam Tunnel	1	N/A
Forklift	1	Toyota Electric 7FBEU18
Forklift charger	1	Charter Power Systems FR18HK850M
CO2 tank	1	50 lbs
Heat gun	1	Uline

SCHEDULE F
Form of Promissory Note

[See Next Page]

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE LATER OF (I) THE ISSUE DATE OF THIS NOTE AND (II) THE DATE PASCAL BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

PROMISSORY NOTE

US\$500,000.00

[●], 2023
(the “**Issue Date**”)

WHEREAS Pascal Biosciences Inc. (the “**Pascal**”) and SoRSE Technology Corporation (the “**Holder**”) have entered into an asset purchase agreement dated [●], 2022 (the “**Asset Purchase Agreement**”) pursuant to the which, among other things, Pascal agreed to issue and deliver to the Holder this promissory note (the “**Note**”);

AND WHEREAS pursuant to the Asset Purchase Agreement Pascal has agreed to assign certain purchased assets to a wholly owned subsidiary Pascal Biosciences U.S. Inc. (“**Pascal US**” and together with Pascal the “**Co-Borrowers**”);

AND WHEREAS the Co-Borrowers and the Holder have entered into a Security Agreement dated [●], 2022, constituting first rank security interest in all of the Co-Borrowers’ right, title and interest in and to the Assets (as defined in the Asset Purchase Agreement) and all proceeds thereof (the “**Security Agreement**”);

FOR VALUE RECEIVED, the **Co-Borrowers**, promises to pay, on a joint and several basis, to the Holder, at such place as the Holder may designate, the principal amount of five hundred thousand United States dollars (US\$500,000.00) (the “**Principal**”), together with interest accrued on the Principal Amount as provided in Section 2 below. This secured promissory note (“**Note**”) is subject to the following the following terms and conditions:

1. **ISSUANCE OF NOTE.** This Note is issued in connection with an asset purchase agreement dated [●], 2023, between the Pascal and the Holder (the “**Asset Purchase Agreement**”).
2. **INTEREST.** Interest will accrue on the balance of the Principal Amount from time to time outstanding at the rate of 7.50% per annum, calculated on the basis of a 365-day year for the actual number of days elapsed and compounded annually, from the Issue Date until the Maturity Date (as defined herein) and shall be payable in one balloon payment on the date that is 13 months following the Issue Date.
3. **MATURITY DATE.** All unpaid Principal plus all accrued and unpaid interest and all other amounts then owing under this Note will be immediately due and payable on the date that is 12 months following the Issue Date (the “**Maturity Date**”).
4. **PAYMENT; PREPAYMENT.** All payments made under this Note will be made in United States dollars, without offset or deduction of any kind, at such place as the Holder may from time

to time designate in writing to the Co-Borrowers. Payments of the Principal shall be due and payable on the Maturity Date. Any outstanding Principal that is not paid by the Co-Borrowers on the Maturity Date will accrue interest at the Default Rate (as defined herein).

5. APPLICATION OF PAYMENTS. Payment by check shall be credited only when collected by Holder, and payment by wire transfer or other means shall be credited only when actually received by Holder. All payments made hereunder shall be applied first to unpaid costs of collection, then to any accrued but unpaid interest, and then to any unpaid Principal Amount outstanding.

6. SECURITY. Security for the obligations of the Co-Borrowers under this Note and all other obligations of the Co-Borrowers to the Holder shall include the Security Agreement, signed by each of the Co-Borrowers, constituting a first ranking security interest in all of the Co-Borrowers' right, title and interest in and to the Assets and all proceeds thereof.

7. DEFAULT. Any one or more of the following events or occurrences shall constitute a default under this Note (hereinafter "**Default**"):

- (a) The Co-Borrowers fails to make any payment of principal or interest when due, whether by acceleration or otherwise, under this Note;
- (b) sale of all or substantially all of the any Co-Borrowers' assets;
- (c) Pascal's common shares are delisted from or cease to be traded on the Canadian Securities Exchange;
- (d) Pascal fails to meet continuous disclosure obligations under any and all applicable securities laws and regulations;
- (e) the receipt by the Holder of a demand letter, notice of seizure or requirement for payment from, or the initiation of any other type of collection or enforcement action against the any Co-Borrower by any secured party, lien claimant, other encumbrancer, judgment creditor or a person, other than Robert Gietl, asserting similar rights in any property, Canada Revenue Agency, Internal Revenue Service or any other federal, provincial or state governmental agency or body;
- (f) notice to the Holder of any litigation proceedings commenced against any Co-Borrower claiming amounts in excess of US\$250,000;
- (g) Any Co-Borrower commences any proceeding in bankruptcy or for dissolution, liquidation, winding-up, composition or other relief under state or federal bankruptcy laws, or such proceedings are commenced against any Co-Borrower or a receiver or trustee is appointed for any Co-Borrower or a substantial part of its property, and such proceeding or appointment is not dismissed within sixty (60) days after its commencement; or

- (h) Any Co-Borrower assumes or incurs any debt that is equal to, or senior in priority to this Note; or any Co-Borrower otherwise pledges any of its assets, tangible or intangible, to any other party; or any Co-Borrower breaches Section 7 of this Note.

Upon the occurrence of any Default hereunder, Holder may, in its sole and absolute discretion, declare the entire unpaid Principal Amount balance, together with accrued interest, late fees, and all other amounts and/or payments due hereunder, immediately due and payable, without notice and/or demand. Upon the occurrence of a Default hereunder, the Interest Rate shall be increased to 15% per annum (the “**Default Rate**”), effective as of the date of Default.

8. REMEDIES. If any Co-Borrower defaults under this Note, the Holder shall have all of the rights and remedies available by law, in addition to those Remedies defined and specified in the Security Agreement.

9. WAIVERS. The Co-Borrowers hereby waives grace, diligence, presentment, demand, a notice of demand, dishonor, a notice of dishonor, protest, a notice of protest, any and all exemption rights against the indebtedness evidenced by this Note and the right to plead any statute of limitations as a defense to the repayment of all or any portion of this Note, and interest thereon, to the fullest extent allowed by law. No failure to exercise and no delay in exercising, any right, power or remedy hereunder or under any document delivered to Holder shall impair any right, power or remedy which Holder may have. The rights and remedies of the Holder are cumulative and not exclusive of any rights or remedies which Holder would otherwise have.

10. MAXIMUM LEGAL RATE. This Note is subject to the express condition that at no time shall any Co-Borrower be obligated, or required, to pay interest on the Principal Amount at a rate which could subject Holder to either civil or criminal liability as a result of such rate being in excess of the maximum rate which Holder is permitted to charge. If by the terms of this Note, any Co-Borrower is, at any time, required or obligated to pay interest on the principal balance at a rate in excess of such maximum rate, then the rate of interest under this Note shall be deemed to be immediately reduced to such maximum rate, and interest payable hereunder shall be computed at such maximum rate, and any portion of all prior interest payments in excess of such maximum rate shall be applied, and/or shall retroactively be deemed to have been payments made, in reduction of the Principal Amount owed to Holder.

11. AMENDMENT. No waiver or modification of any of the terms or provisions of this Note shall be valid or binding unless set forth in a writing signed by the Co-Borrowers and the Holder, and then only to the extent therein specifically set forth.

12. SUBMISSION TO JURISDICTION. Each of the Co-Borrowers and the Holder irrevocably submits to the non-exclusive jurisdiction of the courts of the Province of British Columbia.

13. GOVERNING LAW. This Note is governed by and is to be construed and interpreted in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable in the Province of British Columbia.

14. ASSIGNMENT. Neither this Note nor any rights or obligations of any Co-Borrower hereunder may be assigned except with the express written consent of the Holder. Subject to the

foregoing, all the covenants, stipulations, promises, and agreements in this Note contained by or on behalf of any Co-Borrower shall bind its successors and assigns, whether so expressed or not. Holder may assign this Note and Holder's rights hereunder without the express written consent of each Co-Borrower.

15. HOLIDAY. Whenever any payment to be made under this Note shall be due on a Saturday, Sunday and/or legal holiday generally recognized by banks doing business in Canada or the United States, then the due date for such payment shall be automatically extended to the next succeeding business day, and such extension of time shall in such cases be included in the computation of the interest portion of any payment due hereunder.

16. COSTS AND EXPENSES. The Co-Borrowers agree to pay on demand all reasonable costs and expenses (including, without limitation, attorneys' fees and costs of collection) incurred by the Holder of this Note in connection with or related to enforcement of this Note, whether or not suit be brought, including attorneys' fees relating to any post-judgment motions, bankruptcy litigation, appeal, arbitration or mediation.

17. SEVERABILITY. If any of the provisions of this Note shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

18. COUNTERPARTS. This Note may be executed and delivered in any number of counterparts, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument.

[The remainder of this page is intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, Co-Borrowers have executed this Note on the day and year first above written.

CO-BORROWER:

PASCAL BIOSCIENCES, INC.

By: _____

Name:

Title:

Date:

CO-BORROWER:

PASCAL BIOSCIENCES U.S. INC.

By: _____

Name:

Title:

Date:

HOLDER:

SORSE TECHNOLOGY CORPORATION

By: _____

Name:

Title:

Date:

SECURITY AGREEMENT

WHEREAS Pascal Biosciences, Inc. (“**Pascal**”), Pascal Biosciences U.S. Inc. (“**Pascal US**” and together with Pascal the “**Debtors**”), and SoRSE Technology Corporation (the “**Secured Party**”) have entered into an asset purchase agreement dated February ____, 2023 (the “**Asset Purchase Agreement**”);

AND WHEREAS pursuant to the Asset Purchase Agreement the Debtors agreed to issue and deliver, and did issue and deliver to the Secured Party a promissory note (the “**Promissory Note**”);

AND WHEREAS pursuant to the Promissory Notes the Debtor agreed to grant, as general and continuing security for the payment and performance of all its obligations to the Secured Party, the security interest granted herein;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in order to further secure the obligations pursuant to the Promissory Note, and in consideration of the entering into of the Asset Purchase Agreement by the Secured Party the Debtor covenants and agrees as follows:

1. SECURITY INTEREST

FOR VALUE RECEIVED, the undersigned Debtors hereby:

(a) grant, create a security interest in, assign, pledge, convey, hypothecate, mortgage and charge (the “**Security Interest**”) in favour of the Secured Party:

- (i) all the goods, inventory, equipment, and intangibles, including intellectual property, contracts and licences, of each Debtor that are exclusively related to the branded consumer products Major, Happy, Apple, Pearl, Utopia, Atomic Apple, Vertus, Velvet Swing and Velvet Kiss (collectively the “**Business Unit**”) as listed in Schedule “C” hereto and in any additional Schedules from time to time added hereto; and
- (ii) all the proceeds thereof, accretions thereto and substitutions therefor.

All the foregoing being hereafter collectively called “**Collateral**”. Unless otherwise limited herein the terms “goods”, “Chattel Paper”, “Document of Title”, “Instrument”, “Security”, “proceeds”, “accessing”, “Money”, “financing statement” and “financing change statement” whenever used herein shall be interpreted pursuant to their respective meanings when used in *The Personal Property Security Act* (British Columbia).

2. INDEBTEDNESS SECURED

The Security Interest granted hereby secures payment and performance of any and all obligations, indebtedness and liability of each Debtor and the Secured Party (including interest thereon) present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, incurred or arising under or in connection with or pursuant to the Promissory Note or any other Credit Document, and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again (hereinafter collectively called the “**Indebtedness**”).

3. REPRESENTATIONS AND WARRANTIES OF THE DEBTORS

The Debtors represent and warrant, and so long as this Security Agreement remains in effect shall be deemed to continuously represent and warrant, that:

(a) the Collateral is genuine and owned by a Debtor free of all security interests, mortgages, liens, claims, charges, licenses, leases, infringements by third Party, encumbrances or other adverse claims or interests (hereinafter collectively called "Encumbrances"), save for the Security Interest and those Encumbrances shown on Schedule "A" or hereafter approved in writing by the Secured Party, prior to their creation or assumption;

(b) all Intellectual Property applications and registrations are valid and in good standing and a Debtor is the owner of the applications and registrations;

(c) each Debtor is authorized to enter into this Security Agreement;

(d) the execution, delivery and performance of the obligations under this Security Agreement and the creation of any security interest in or assignment hereunder of each Debtors' rights in the Collateral to the Secured Party will not result in a breach of any agreement to which any Debtor is a party;

(e) the locations specified in Schedule "B" as to business operations and records are accurate and complete.

4. COVENANTS OF THE DEBTORS

So long as this Security Agreement remains in effect each Debtor covenants and agrees:

(a) to defend the Collateral against the claims and demands of all other parties claiming the same or an interest herein; to diligently initiate and prosecute legal action against all infringers of any Debtor's rights in Intellectual Property; to take all reasonable action to keep the Collateral free from all Encumbrances, except for the Security Interest, licenses which are compulsory under federal or provincial legislation and those shown on Schedule "A" or hereafter approved in writing by the Secured Party, prior to their creation or assumption, and not to sell, exchange, transfer, assign, lease, license or otherwise dispose of Collateral or any interest therein without the prior written consent of the Secured Party provided always that, until default, any Debtor may, in the ordinary course of such Debtor's business, sell or lease Inventory and, subject to Clause 6 hereof, use Money available to any Debtor;

(b) to notify the Secure Party promptly of:

- (i) any change in the information contained herein or in the Schedules hereto relating to the Debtors, the any Debtors' business or Collateral;
- (ii) the details of any significant acquisition of Collateral;
- (iii) the details of any claims or litigation affecting the any Debtor or Collateral;
- (iv) any loss or damage to Collateral;

(v) any default by any Account Debtor in payment or other performance of its obligations with respect to Collateral; and

(vi) the return to or repossession by the any Debtor of Collateral;

(c) to keep Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance; to keep all agreements, registrations and applications relating to Intellectual Property and intellectual property used by any Debtor in its business in good standing and to renew all agreements and registrations as may be necessary or desirable to protect Intellectual Property, unless otherwise agreed in writing by Secured Party; to apply to register all existing and future copyrights, trade-marks, patents, integrated circuit topographies and industrial designs whenever it is commercially reasonable to do so;

(d) to pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of any Debtor or Collateral as and when the same become due and payable;

(e) to insure Collateral in such amounts and against such risks as would customarily be insured by a prudent owner of similar collateral and in such additional amounts and against such additional risks as the Secured Party may from time to time direct, with loss payable to the Secured Party and the Debtors, as insureds, as their respective interests may appear, and to pay all premiums therefor and deliver copies of policies and evidence of renewal to the Secured Party on request; and

(f) to carry on and conduct the business of each Debtor in a proper and efficient manner and so as to protect and preserve Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for each Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at the Secured Party's request so as to indicate the Security Interest;

(i) any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral;

(ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same;

(iii) all financial statements prepared by or for the Debtors regarding the Debtors' business;

(iv) all policies and certificates of insurance relating to Collateral; and

(v) such information concerning Collateral, any Debtor and the Debtors' business and affairs as the Secured Party may reasonably request.

5. SECURITIES, INVESTMENT PROPERTY

If Collateral at any time includes Securities, each Debtor authorizes the Secured Party to transfer the same or any part thereof into its own name or that of its nominee(s) so that the Secured Party or its nominee(s) may appear of record as the sole owner thereof; provided that, until an Event of Default occurs, the Secured Party shall deliver promptly to such Debtor all notices or other communications received by it or its nominee(s) as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to such Debtor or its order a proxy to vote and take all action with respect to such Securities. After the occurrence of an Event of Default, such Debtor waives all rights to receive any notices or communications received by the Secured Party or its nominee(s) as such registered owner and agrees that no proxy issued by the Secured Party to such Debtor or its order as aforesaid shall thereafter be effective.

6. COLLECTION OF DEBTS

After an Event of Default has occurred, the Secured Party may notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to make all payments on Collateral to the Secured Party. Each Debtor acknowledges that any payments on or other proceeds of Collateral received by the any Debtor from Account Debtors, after such notification of this Security Interest to Account Debtors shall be received and held by such Debtor in trust for the Secured Party and shall be turned over to the Secured Party upon request.

7. INCOME FROM AND INTEREST ON COLLATERAL

(a) Until the occurrence of an Event of Default, each Debtor reserves the right to receive any Money constituting income from or interest on Collateral and if the Secured Party receives any such Money prior to the occurrence of an Event of Default, the Secured Party shall pay the same promptly to such Debtor.

(b) After an Event of Default has occurred, no Debtor will not request or receive any Money constituting income from or interest on Collateral and if any Debtor receives any such Money without any request by it, such Debtor will pay the same promptly to the Secured Party.

8. DISPOSITION OF MONEY

Subject to any applicable requirements of the PPSA, all Money collected or received by the Secured Party pursuant to or in exercise of any right it possesses with respect to Collateral of the Debtors shall be applied on account of Indebtedness in such manner as the Secured Party deem best or, at the option of the Secured Party, may be held unappropriated in a collateral account or released to the Debtors, all without prejudice to the liability of any Debtor or the rights of the Secured Party hereunder, and any surplus shall be accounted for as required by law.

9. EVENTS OF DEFAULT

Each and every one of the following shall constitute an event of default (“**Event of Default**”):

- (a) any Debtor fails to make any payment of principal or interest forming part of the Indebtedness when due, whether by acceleration or otherwise;
- (b) sale of all or substantially all of the Collateral;
- (c) Pascal's common shares are delisted from or cease to be traded on the Canadian Securities Exchange;
- (d) Pascal fails to meet continuous disclosure obligations under any and all securities law regulations;
- (e) the receipt by the Secured Party of a demand letter, notice of seizure or requirement for payment from, or the initiation of any other type of collection or enforcement action against any Debtor by any secured party, lien claimant, other encumbrancer, judgment creditor or a person, other than Robert Gietl, asserting similar rights in any property, Canada Revenue Agency or any other federal or provincial governmental agency or body;
- (f) notice to the Secured Party of any litigation proceedings commenced against any Debtor claiming amounts in excess of US\$250,000;
- (g) any Debtor commences any proceeding in bankruptcy or for dissolution, liquidation, winding-up, composition or other relief under state or federal bankruptcy laws, or such proceedings are commenced against any Debtor or a receiver or trustee is appointed for any Debtor or a substantial part of its property, and such proceeding or appointment is not dismissed within sixty (60) days after its commencement;
- (h) any Encumbrance against the Collateral becomes enforceable against the Collateral; or
- (i) any representation or warranty of any Debtor contained herein proves to have been false in any material respect at the time as of which such representation or warranty was made.

10. ACCELERATION

The Secured Party, in its sole discretion, may declare all or any part of Indebtedness which is not by its terms payable on demand to be immediately due and payable, without demand or notice of any kind, upon the occurrence of an Event of Default.

11. REMEDIES

- (a) Upon the occurrence of an Event of Default under this Security Agreement or any one of the Promissory Notes, the Secured Party may avail itself of each and every one of the following remedies (the "**Remedies**"):
 - (i) the Secured Party may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of the Secured Party or not, to be a receiver or receivers (hereinafter called a "**Receiver**"), which term when used herein shall include

a receiver and manager) of the Collateral of the Debtors (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his/her stead. Any such Receiver shall, so far as concerns responsibility for his/her acts, be deemed the agent of the Debtors and not the Secured Party, and the Secured Party shall not be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver, his/her servants, agents or employees. Subject to the provisions of the instrument appointing him/her, any such Receiver shall have power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of the Debtors and to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including the Debtors, enter upon, use and occupy all premises owned or occupied by the Debtors wherein Collateral may be situated, maintain Collateral upon such premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on the Debtors' business or as security for loans or advances to enable the Receiver to carry on the Debtors' business or otherwise, as such Receiver shall, in its discretion, determine. Except as may be otherwise directed by the Secured Party, all Money received from time to time by such Receiver in carrying out his/her appointment shall be received in trust for and paid over to the Secured Party. Every such Receiver may, in the discretion of the Secured Party, be vested with all or any of the rights and powers of the Secured Party.

- (ii) the Secured Party may, either directly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing sub-clause (a).
- (iii) the Secured Party may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and may sell, license, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to the Secured Party may seem reasonable.
- (iv) In addition to those rights granted herein and in addition to any other rights the Secured Party may have at law or in equity, the Secured Party shall have, both before and after the occurrence of any Event of Default, all rights and remedies of a secured party under the PPSA. Provided always, that the Secured Party shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease, license or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, the Secured Party shall have no obligation to take any steps to preserve rights against prior Party to any Instrument or Chattel Paper whether Collateral or proceeds and whether or not in the Secured Party's possession and shall not be liable or accountable for failure to do so.

(b) Each Debtor acknowledges that upon the occurrence of an Event of Default the Secured Party or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and each Debtor agrees upon request from the Secured Party or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.

(c) The Debtor agree to be liable, jointly and severally, for and to pay all costs, charges and expenses reasonably incurred by the Secured Party or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration), in operating the Debtors' accounts, in preparing or enforcing this Security Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting Indebtedness and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by the Secured Party or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.

(d) The Secured Party will give the Debtors such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made as may be required by the PPSA.

(e) Upon the occurrence of an Event of Default, and receipt of a written demand from the Secured Party, the Debtors shall take such further action as may be necessary to evidence and effect an assignment or licensing of Intellectual Property to whomever the Secured Party directs, including to the Secured Party. Each Debtor appoints any officer or director or branch manager of the Secured Party upon the occurrence of an Event of Default that is continuing, to be its attorney in accordance with applicable legislation with full power of substitution and to do on such Debtor's behalf anything that is required to assign, license or transfer, and to record any assignment, licence or transfer of the Collateral. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.

12. MISCELLANEOUS

(a) Each Debtor hereby authorizes the Secured Party to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted Encumbrances affecting Collateral or identifying the locations at which each Debtor's business is carried on and Collateral and records relating thereto are situated) as the Secured Party may deem reasonably appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest and each Debtor hereby irrevocably constitutes and appoints the Secured Party the true and lawful attorney of such Debtor, with full power of substitution, with effect upon the occurrence of a default that is continuing, to do any of the foregoing in the name of each Debtor whenever and wherever it may be deemed necessary or expedient.

(b) Each Debtor hereby agrees to enter into any such other agreements as necessary to perfect the Secured Party's Security Interest against the collateral.

(c) Without limiting any other right of the Secured Party, upon the occurrence of an Event of Default that is continuing, the Secured Party may, in its sole discretion, set off against any Indebtedness then due and payable any and all amounts then owed to the Debtors by the Secured Party whether or not due.

(d) Upon any Debtor's failure to perform any of its duties hereunder five (5) days after receipt of written notice hereof, the Secured Party may, but shall not be obligated to, perform any or all of such duties, and the Debtors shall pay to the Secured Party, forthwith upon written demand therefor, an amount equal to the expense incurred by the Secured Party in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate of interest applicable to the primary obligations under the Promissory Notes.

(e) The Secured Party may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with the Debtors, debtors of the Debtors, sureties and others and with Collateral and other security as the Secured Party may see fit without prejudice to the liability of the Debtors or the Secured Party's right to hold and realize the Security Interest. Furthermore, the Secured Party, upon the occurrence of an Event of Default that is continuing, may demand, collect and sue on Collateral in the Debtors' or the Secured Party's names, at the Secured Party's option, and may endorse the any Debtor's name on any and all cheques, commercial paper, and any other Instruments pertaining to or constituting Collateral.

(f) No delay or omission by the Secured Party in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, the Secured Party may remedy any Event of Default by any Debtor hereunder or with respect to any Indebtedness in any reasonable manner without waiving the Event of Default remedied and without waiving any other prior or subsequent Event of default by such Debtor. All rights and remedies of the Secured Party granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.

(g) Each Debtor waives protest of any Instrument constituting Collateral at any time held by the Secured Party on which any Debtor is in any way liable and notice of any other action taken by the Secured Party.

(h) This Security Agreement shall enure to the benefit of and be binding upon the Party hereto and their respective heirs, executors, administrators, successors and assigns. No Debtor shall assign, transfer or delegate any of its rights or obligations, under this Security Agreement.

(i) The Secured Party may provide any financial and other information it has about the any Debtor, the Security Interest and the Collateral to anyone acquiring or who may acquire an interest in the Security Interest or the Collateral from the Secured Party or anyone acting on behalf of the Secured Party.

(j) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall

be made except by a written agreement, executed by the Party hereto and no waiver of any provision hereof shall be effective unless in writing.

(k) Whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given, if given in accordance with the provisions of the Settlement Agreement.

(l) This Security Agreement and the security afforded hereby is in addition to and not in substitution for any other security now or hereafter held by the Secured Party and is intended to be a continuing Security Agreement and shall remain in full force and effect until the full and indefeasible payment in full of the Indebtedness and the termination of all commitments and obligations of the Secured Party under the Promissory Notes or any other Credit Documents.

(m) The Security Interest will be discharged upon, but only upon the full and indefeasible payment in full of the Indebtedness and the termination of all commitments and obligations of the Secured Party under the Settlement Agreement and Promissory Notes. Upon discharge of the Security Interest and at the request and expense of the Debtors, the Secured Party will execute and deliver to the Debtors such releases, discharges, financing statements and other documents or instruments as the Debtors may reasonably require and the Secured Party will redeliver to the Debtors, or as the Debtors may otherwise direct the Secured Party, any Collateral in its possession.

(n) The headings used in this Security Agreement are for convenience only and are not to be considered a part of this Security Agreement and do not in any way limit or amplify the terms and provisions of this Security Agreement.

(o) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.

(p) In the case of any conflict between this Security Agreement and the provisions of the Promissory Notes, the provisions of the Promissory Notes shall prevail.

(q) In the event any provisions of this Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect.

(r) Nothing herein contained shall in any way obligate the Secured Party to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Indebtedness.

(s) The Security Interest created hereby is intended to attach when this Security Agreement is signed by both Debtors and delivered to the Secured Party.

(t) Each Debtor acknowledges and agrees that in the event any Debtor amalgamates with any other company or companies it is the intention of the Party hereto that the term "Debtor"

when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby:

- (i) shall extend to “Collateral” (as that term is herein defined) owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any “Collateral” thereafter owned or acquired by the amalgamated company, and
- (ii) shall secure the “Indebtedness” (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to the Secured Party at the time of amalgamation and any “Indebtedness” of the amalgamated company to the Secured Party thereafter arising. The Security Interest shall attach to “Collateral” owned by each company amalgamating with such Debtor, and by the amalgamated company, at the time of the amalgamation, and shall attach to any “Collateral” thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.

(u) This Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

(v) This Security Agreement may be executed or executed electronically in multiple counterparts, each of which shall be deemed to be an original agreement and all of which shall constitute one agreement. All counterparts shall be construed together and shall constitute one and the same agreement. This Security Agreement, to the extent signed, either manually or by electronic signature, and delivered by means of electronic transmission (including, without limitation, facsimile, DocuSign and Internet transmissions), shall be treated in all manner and respects as an original agreement and should be considered to have the same binding legal effect as if it were the original version thereof delivered in person.

13. COPY OF AGREEMENT

Each Debtor hereby acknowledges receipt of a copy of this Security Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF the Debtors has executed this Security Agreement this ● day of●, 2023.

PASCAL BIOSCIENCES, INC.

PASCAL BIOSCIENCES U.S. INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE "A"
Encumbrances affecting Collateral



SCHEDULE "B"
Location of Collateral



SCHEDULE "C"
Description of Property



SCHEDULE G
Registration of Consideration Shares

Registration Instructions	Delivery Instructions
Sorse Technology Corporation [REDACTED]	Sorse Technology Corporation [REDACTED] [REDACTED]

SCHEDULE H
Form of Service Agreement

[See Next Page]

SORSE TECHNOLOGY CORPORATION

SERVICE AGREEMENT

This Service Agreement (the “**Agreement**”), dated as of _____ (the “**Effective Date**”), is entered into by and between Sørse Technology Corporation, a Delaware, USA, corporation, with a principal place of business at 401 Queen Anne Ave. N, Seattle, WA 98119 (“**Seller**,”) and Pascal Biosciences, Inc., a British Columbia, Canada, company having its principal place of business at 4000 Mason Road, Suite 304, Seattle, WA 98195 (“**Buyer**” and together with Seller, the “**Parties**,” and each, a “**Party**”).

BACKGROUND

A. Buyer is in the business of licensing and selling certain cannabinoid-infused consumable products (the “**Products**”).

B. Buyer and Seller entered into a suite of agreements dated the date hereof pursuant to which Buyer sold to Seller certain trademarks, formulas and recipes related to Seller’s THC Essentials business (the “**Asset Sale Transaction**”);

C. Seller is the owner of proprietary patent-pending emulsion formulas and cannabinoid conversion expertise, and provides conversion services at third-party manufacturers whereby Seller will convert a customer’s own cannabis oil distillate into a water-soluble emulsification (the “**Services**”), and Buyer desires to use the Services as part of its process to manufacture certain of its Products.

D. In connection with the Asset Sale Transaction, Buyer is required to exclusively use the Services for the assets Buyer acquired in the Asset Sale Transaction for a period of three years from the date of this Agreement;

E. Buyer has multiple third-party manufacturing relationships where the Buyer may request, subject to the terms and conditions of this Agreement, the Seller to perform the Services (each a “**Manufacturing Partner**”).

F. In consideration of the mutual covenants, terms, and conditions set forth in this Agreement, and for other good and valuable consideration, the Parties agree as follows:

AGREEMENT

1. Definitions. Capitalized terms have the meanings set forth in this Section 1.

“**Agreement**” has the meaning set forth in the preamble to this Agreement.

“**Applicable Law**” means any law, regulation, or other governmental order that applies to or governs the Buyer’s purchase of the Services or the sale of its Products that incorporate the Services or is otherwise applicable to Buyer’s operations.

“**Buyer**” has the meaning set forth in the preamble to this Agreement.

“**Buyer Indemnified Party**” has the meaning set forth in Section 11.1.

“**Confidential Information**” has the meaning set forth in Section 15.1.

“**Disclosing Party**” has the meaning set forth in Section 15.1.

“**Effective Date**” has the meaning set forth in the preamble to this Agreement.

“**Force Majeure Event(s)**” as the meaning set forth in Section 18.18.

“**Goods**” means the output of the Services, which will be a water-soluble emulsification product, that is not a finished product, but is intended to be an input in the Products.

“**Impacted Party**” has the meaning set forth in Section 18.18.

“**Initial Term**” has the meaning set forth in Section 6.1.

“**Inspection Period**” has the meaning set forth in Section 4.4.

“**Losses**” has the meaning set forth in Section 11.1.

“**Nonconforming Goods**” means any Goods received by Buyer from Seller pursuant to this Agreement or a Purchase Order that: (a) are defective and/or do not materially conform to any agreed to specifications included on the applicable Purchase Order; or (b) materially exceed the quantity of Goods ordered by Buyer pursuant to this Agreement or any Purchase Order. Where the context requires, Nonconforming Goods are deemed to be Goods for purposes of this Agreement.

“**Party**” has the meaning set forth in the preamble to this Agreement.

“**Personnel**” of a Party means any agents, employees, contractors, or subcontractors engaged or appointed by such Party.

“**Product**” has the meaning set forth in the recitals to this Agreement.

“**Purchase Order**” means Buyer’s purchase order issued to Seller, including any mutually agreed terms and conditions attached to, or incorporated into, such purchase order, subject to approval by Seller.

“**Purchase Price**” has the meaning set forth in Section 5.1.

“**Receiving Party**” has the meaning set forth in Section 15.1.

“**Seller**” has the meaning set forth in the preamble to this Agreement.

“**Seller Indemnified Party**” has the meaning set forth in Section 11.2.

“**Service Location**” means the street address of any Manufacturing Partner.

“**Term**” has the meaning set forth in Section 6.1.

2. Purchase and Selling Terms.

2.1 Purchase and Sale. Subject to the terms and conditions of this Agreement and the Purchase Order, during the Term, Seller shall, on a non-exclusive basis, provide to Buyer, and Buyer shall, on an exclusive basis, purchase from Seller, the Services. Buyer agrees that during the Term, Buyer shall not purchase any services similar to the Services from any other party.



3. Ordering Procedure.

3.1 Purchase Orders. Buyer shall issue Purchase Orders to Seller via e-mail pursuant to Section 18.5 or such other form of communication as the Parties agree to in writing. Such Purchase Orders shall include, at a minimum, the following terms: (a) the quantity of Goods to be produced or the amount of distillate required to be converted; (b) the Purchase Price; (c) the requested date for the Services; and (d) the Service Location. By issuing a Purchase Order to Seller, Buyer makes an offer to purchase the Services pursuant to the terms and conditions of this Agreement and any mutually agreed to terms contained in such Purchase Order, and on no other terms. For the avoidance of doubt, any unilateral variations made to the terms and conditions of this Agreement by Buyer in any Purchase Order are void and shall have no effect. Buyer shall be obligated to purchase from Seller quantities of the Goods specified in a Purchase Order.

3.2 Acceptance, Rejection, and Cancellation of Purchase Orders. If Seller determines in its sole discretion that the Manufacturing Partner or the Service Location are not in compliance with any Applicable Law, including any State Marijuana Regulations (“**Non Compliance**”), then Seller will not be obligated to provide the Services, and Buyer will be responsible for repayment to Seller for any travel and labor costs incurred by the Seller in conjunction with the performance of the applicable Services. Seller has the right, in its sole discretion, to accept or reject (a “**Rejection**”) any Purchase Order and cancel a previously accepted Purchase Order in the event of Non-Compliance but shall endeavor to use commercially reasonable efforts to accept same. Seller may accept a Purchase Order by confirming the order in writing via e-mail pursuant to Section 18.5 or such other form of communication as the Parties agree to in writing. Seller’s acceptance of the Purchase Order shall automatically and without exception trigger Buyer’s obligations to pay Seller the Purchase Price for the Goods set forth in the accepted Purchase Order, provided however that a Rejection Notice cancels the obligation to pay the Purchase Price. If Seller issues a Rejection on two consecutive Purchase Orders made by Buyer, then Seller shall provide a written explanation to Buyer for the reasoning for the Rejections. If the Buyer determines in good faith that the reasoning for the Rejections is without merit, then Buyer may seek an alternative provider of the Services; however, Buyer must continue to provide Seller with the right of first offer for any future Purchase Orders for the Services.

4. Performance, Acceptance, and Inspection.

4.1 Performance. Unless otherwise expressly agreed by the Parties in writing, Seller shall select the date(s) of the performance of the Services under each Purchase Order. Seller may, in its sole discretion, perform a portion of the Services, resulting in a partial production amount of the Goods. Each partial amount of the Goods produced will constitute a separate sale and Buyer shall pay for the Goods produced, in accordance with the payment terms specified in Section 5.2, whether such production amount is in whole or partial fulfillment of a Purchase Order. The Purchase Price set forth in Section 5.1 is not inclusive of transportation costs to the Service Location, insurance, and other fees, such as the taxes described in Section 5.1. All such fees are the obligation of the Buyer and the Buyer agrees to pay such costs. Seller shall not be obligated to perform Services at the location of any Manufacturing Partner that has not executed a non-disclosure agreement deemed suitable to Seller for the protection of Seller's intellectual property.

4.2 Late Performance. Any time quoted by Seller for performance is an estimate only. Seller is not liable for, or in respect of, any loss or damage arising from any delay, beyond its control, in filling any order, failure to perform or delay in the performance of the Services. No delay in the performance of any Services relieves Buyer of its obligations under this Agreement, including without limitation accepting any remaining installment(s) of Goods.

4.3 Title and Risk of Loss.

(a) Title. The Buyer acknowledges and agrees that at no time will the Seller take ownership of any of the Goods, any of the Products, any cannabis oil, or any other cannabis-related products. The Seller is solely responsible for providing the Services, and will not be responsible for any transportation of the Goods.

(b) Risk of Loss. Risk of loss to all Goods ordered under any Purchase Order passes to Buyer upon Seller's completion of the Services under that Purchase Order.

4.4 Inspection. Buyer or Buyer's agent shall inspect the Goods within twenty-four (24) hours of production of such Goods ("**Inspection Period**") and either accept or, only if any such Goods are Nonconforming Goods, reject such Goods. Buyer will be deemed to have accepted the Goods unless it provides Seller with written notice of any Nonconforming Goods within the Inspection Period, stating with specificity all defects and nonconformities, and furnishing such other written evidence or other documentation as may be reasonably required by Seller (including the subject Goods, or a representative sample thereof, which Buyer contends is Nonconforming Goods). **THE REMEDIES SET FORTH IN THIS SECTION 4.4 ARE BUYER'S EXCLUSIVE REMEDY FOR NONCONFORMING GOODS.** All defects and nonconformities that are not so specified will be deemed waived by Buyer, such Goods shall be deemed to have been accepted by Buyer, and no attempted revocation of acceptance will be effective. If Buyer timely notifies Seller of any Nonconforming Goods, Seller shall determine, in its reasonable discretion, whether the Goods are Nonconforming Goods. If Seller determines that such Goods are Nonconforming Goods, Seller shall, in its sole discretion, either:

- (a) at Seller's expense, replace such Nonconforming Goods with conforming Goods; or
- (b) refund to Buyer such amount paid by Buyer to Seller for such Nonconforming Goods.

5. Purchase Price and Payment.

5.1 Purchase Price. Buyer shall purchase the Services from Seller at the prices set forth in Seller's price list in effect at the time that Seller accepts the related Purchase Order (the "**Purchase Price**"). During the first 12 months of the Term, the Seller agrees not to increase its price of Services to any of the Manufacturing Partners of the Buyer that are active as of the Effective Date and Buyer acknowledges and agrees that it has received a copy of the Seller's price list in effect as at the date of this Agreement. Buyer acknowledges and agrees that after the first 12 months of the Term, the Seller's price list will be subject to change and possible increase. However, Seller agrees that during the Term, the Purchase Price shall not exceed the equivalent purchase price paid by any other customer of the Seller in that state or jurisdiction. In addition, the Purchase Price is exclusive of, and Buyer is solely responsible for, and shall pay, and shall hold Seller harmless from, all taxes, with respect to, or measured by, the sale, shipment, use, or Purchase Price of the Goods (including interest and penalties thereon). The Seller shall issue invoices for the Services in U.S. dollars and the Buyer shall pay for such invoices in U.S. dollars.

5.2 Payment Terms. For any Purchase Order, Buyer shall be required to pay 50% of the total dollar amount prior to the Seller setting the performance date of the Services. The remaining 50% owed under the Purchase Order shall be paid to Seller no later than thirty (30) days after the date the Services are performed. Buyer shall make all payments by automated clearing house (ACH) or wire transfer in accordance with wire instructions provided by Seller. The Seller may, in the Seller's sole discretion, charge the Buyer a 15% annual percentage rate on any delinquent payments owed by the Buyer to Seller.

6. Term; Termination.

6.1 Term. The term of this Agreement commences on the Effective Date and continues for a period of three (3) years unless it is earlier terminated earlier pursuant to the terms of this Agreement (the "**Term**").

6.2 Termination. This Agreement may also be terminated immediately upon the terminating Party's delivery of notice to the other Party of:

(a) if either Party is in breach of any representation, warranty, agreement, or covenant under this Agreement, and either the breach cannot be cured or, if the breach can be cured, it is not cured within thirty (30) calendar days after the non-breaching Party's written notice to the breaching Party; or

(b) if either Party (i) becomes insolvent or is generally unable to pay, or fails to pay, its debts as they become due, (ii) files or has filed against it, a petition for voluntary or involuntary bankruptcy or otherwise becomes subject, voluntarily or involuntarily, to any proceeding under any domestic or foreign bankruptcy or insolvency law, (iii) makes or seeks to make a general assignment for the benefit of its creditors, or (iv) applies for or has appointed a receiver, trustee, custodian or similar agent appointed by order of any court of competent jurisdiction to take charge of or sell any material portion of its property or business; or

(c) if either Party violates Section 8, or if any of the Manufacturing Partners violates any State Marijuana Regulations; or

(d) if Buyer fails to meet its payment obligations under Section 5.2 on two or more consecutive Purchase Orders.

6.3 Effect of Termination.

(a) Upon the termination of this Agreement, Buyer shall (a) destroy all documents and tangible materials (and any copies) containing, reflecting, incorporating, or based on Seller's Confidential Information; and (b) permanently erase all of Seller's Confidential Information from its computer systems.

(b) Any notice of termination under this Agreement automatically operates as a cancellation of any performance of Services for the Buyer that are scheduled to be made subsequent to the effective date of termination, whether or not any purchase orders for such Services had been accepted by Seller. In this event the portion of the purchase price previously paid shall be refunded to the Buyer within three business days of cancellation. With respect to any completed Services that the Buyer has not yet paid upon termination of this Agreement, Seller may require, in its sole discretion, that such payment be made on either a cash-only or certified check basis.

7. Certain Obligations of Buyer.

7.1 Certain Prohibited Acts. Notwithstanding anything to the contrary in this Agreement, neither Buyer nor any of Buyer's Personnel shall make any representations, warranties, guarantees, or indemnities on behalf of Seller or engage in any unfair, competitive, misleading, or deceptive practices respecting Seller, or the Goods, including any product disparagement.

8. Compliance with Laws. Buyer shall at all times comply with the Applicable Law, including, but not limited to, Buyer's performance of its obligations hereunder, and Buyer's purchase and use of the Goods (but not including the federal Controlled Substances Act as it applies to marijuana). Without limiting the generality of the foregoing, Buyer shall (a) at its own expense, maintain all certifications, credentials, licenses and permits necessary to conduct its business relating to the purchase or use of the Goods and the sale of the Product and (b) not engage in any activity or transaction involving the Goods or the Product, by way of resale, shipment, use or otherwise, that violates any state or local law, regulation, or ordinance concerning marijuana (collectively, "**State Marijuana Regulations**").

9. DISCLAIMER OF REPRESENTATIONS AND WARRANTIES; NON-RELIANCE. EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES SET FORTH HEREIN, NEITHER SELLER NOR ANY PERSON ON SELLER'S BEHALF HAS MADE OR MAKES ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY CONCERNING THE GOODS OR SERVICES WHATSOEVER, EITHER ORAL OR WRITTEN, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WHETHER ARISING BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE, OR OTHERWISE, ALL OF WHICH ARE EXPRESSLY DISCLAIMED

BUYER ACKNOWLEDGES THAT IT HAS NOT RELIED UPON ANY REPRESENTATION OR WARRANTY MADE BY SELLER, OR ANY OTHER PERSON ON SELLER'S BEHALF, EXCEPT AS SPECIFICALLY PROVIDED IN THIS AGREEMENT.

10. Withdrawal of Goods. If Seller determines that any Goods produced for Buyer may be defective, at Seller's request, Buyer shall withdraw such Goods from sale, destroy the Goods, at Seller's cost, and provide Seller with written certification of such destruction. If Buyer destroys all withdrawn Goods and provides Seller with written certification of such destruction within five (5) days following Seller's withdrawal request, in either case consistent with Seller's instructions, unless any such defect was caused

or contributed to by Buyer's misuse or alteration of the Goods, Seller shall replace such destroyed Goods at Seller's expense. THIS SECTION SETS FORTH BUYER'S SOLE REMEDY AND SELLER'S ENTIRE LIABILITY FOR ANY GOODS THAT ARE WITHDRAWN PURSUANT TO THIS SECTION.

11. Indemnification.

11.1 Seller Indemnification. Subject to the terms and conditions of this Agreement, including those set forth in Section 11.3, Seller shall indemnify, defend, and hold harmless Buyer, its officers, managers, directors, employees, successors, and permitted assigns (collectively, "**Buyer Indemnified Party**") against any and all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs, or expenses of whatever kind, including reasonable attorneys' fees and the costs of enforcing any right to indemnification under this Agreement, and the cost of pursuing any insurance providers (collectively, "**Losses**"), awarded against a Buyer Indemnified Party in a final judgment, arising out of or resulting from:

- (a) a material breach or non-fulfillment of any representation, warranty, agreement, or covenant under this Agreement or any Purchase Order by Seller;
- (b) any negligence, recklessness, or willful misconduct of Seller (whether by act or omission) in connection with the performance of this Agreement or any Purchase Order;
- (c) the death of or injury or illness to any person, damage to any property, or any other damage or loss, by whomever suffered, resulting, or claimed to result in whole or in part from any actual or alleged quality of or other defect in the Goods; or
- (d) any failure by Seller to comply with any Applicable Law.

11.2 Buyer Indemnification. Subject to the terms and conditions of this Agreement, including those set forth in Section 11.3, Buyer shall indemnify, defend, and hold harmless Seller, its officers, managers, directors, employees, successors, and permitted assigns (collectively, "**Seller Indemnified Party**") against any and all Losses, awarded against a Seller Indemnified Party in a final judgment, arising out of or resulting from:

- (a) a material breach or non-fulfillment of any representation, warranty, or covenant under this Agreement or any Purchase Order by Buyer;
- (b) any negligence, recklessness, or willful misconduct of Buyer (whether by act or omission) in connection with the performance of this Agreement or any Purchase Order;
- (c) any bodily injury, death of any Person or damage to real or tangible personal property caused by the acts or omissions of Buyer or its Personnel; or
- (d) any failure by Buyer to comply with any Applicable Law.

Notwithstanding anything to the contrary in this Agreement, Sections 11.1 and 11.2 do not apply to any claim for which a sole or exclusive remedy is provided for under another section of this Agreement, including Section 4.4.

11.3 Exceptions and Limitations on Indemnification. Notwithstanding anything to the contrary in this Agreement, neither Seller nor Buyer is obligated to indemnify or defend (if applicable) the other Party against any claim if such claim or corresponding Losses arise out of or result from, the other Party's or its Personnel's: (a) negligence, recklessness, or willful misconduct; (b) bad faith failure to comply with any of its obligations set forth in this Agreement; or (c) in the case of Seller's indemnification obligations, Buyer's use of the Goods in any manner not otherwise authorized under this Agreement or that does not materially conform with any usage instructions or specifications provided by Seller.

11.4 EXCLUSIVE REMEDY. THIS SECTION 11 SETS FORTH THE ENTIRETY OF THE LIABILITIES, OBLIGATIONS, AND REMEDIES FOR ANY LOSSES COVERED BY THIS SECTION 11. Notwithstanding anything to the contrary in this Agreement, Sections 11.1 and 11.2 do not apply to any claim for which a sole or exclusive remedy is provided for under another section of this Agreement, including Section 4.4.

12. Limitation of Liability. IN NO EVENT SHALL SELLER OR ITS REPRESENTATIVES BE LIABLE FOR CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE OR ENHANCED DAMAGES, LOST PROFITS, OR REVENUES OR DIMINUTION IN VALUE, ARISING OUT OF OR RELATING TO ANY BREACH OF THIS AGREEMENT, REGARDLESS OF (A) WHETHER SUCH DAMAGES WERE FORESEEABLE, (B) WHETHER OR NOT BUYER WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND (C) THE LEGAL OR EQUITABLE THEORY (CONTRACT, TORT OR OTHERWISE) UPON WHICH THE CLAIM IS BASED.

13. Maximum Liability. SELLER'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, SHALL NOT EXCEED TWO TIMES THE TOTAL OF THE AMOUNTS PAID TO SELLER PURSUANT TO THIS AGREEMENT IN THE 12 MONTH PERIOD PRECEDING THE EVENT GIVING RISE TO THE CLAIM OR \$100,000, WHICHEVER IS LESS.

14. Assumption of Risk. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, BUYER ASSUMES ALL RISK AND LIABILITY FOR THE RESULTS OBTAINED BY THE USE OF ANY GOODS IN THE PRACTICE OF ANY PROCESS, WHETHER IN TERMS OF OPERATING COSTS, GENERAL EFFECTIVENESS, SUCCESS OR FAILURE, AND REGARDLESS OF ANY ORAL OR WRITTEN STATEMENTS MADE BY SELLER, BY WAY OF TECHNICAL ADVICE OR OTHERWISE, RELATED TO THE USE OF THE GOODS.

15. Confidentiality.

15.1 Scope of Confidential Information. From time to time during the Term, either Party (as the "**Disclosing Party**") may disclose or make available to the other Party (as the "**Receiving Party**") information about its intellectual property, business process or methods, business affairs, goods and services, suppliers, confidential information and materials comprising or relating to sensitive or proprietary information. Such information, as well as the terms of this Agreement, whether orally or in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential," is collectively referred to as "**Confidential Information**" hereunder. Notwithstanding the foregoing, Confidential Information does not include information that, at the time of disclosure, and as established by documentary evidence:

(a) is or becomes generally available to and known by the public other than as a result of, directly or indirectly, any breach of this Section 15 by the Receiving Party, or any of its representatives;

(b) was known by or in the possession of the Receiving Party or its representatives prior to being disclosed by or on behalf of the Disclosing Party;

(c) was or is independently developed by the Receiving Party without reference to or use of, in whole or in part, any of the Disclosing Party's Confidential Information; or

(d) was rightfully received from a third party without the obligation of confidentiality.

15.2 Required Disclosure. If a Party is requested or required (including, without restriction, by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand or other similar process) by any Applicable Law to disclose any Confidential Information, then such Party may disclose strictly that Confidential Information for which disclosure is required to comply with any such Applicable Law, provided that such Party (a) unless prohibited by such Applicable Law, provides the other Party with written notice as soon as practicable in the circumstances so that such other Party may contest the disclosure or seek an appropriate protective order, (b) attempt to delay such requested or required disclosure until as late as practicable within the deadlines set out in such applicable law, and (c) cooperates reasonably and in good faith with the other Party in its efforts to prevent, restrict or contest such required or requested disclosure.

15.3 Protection of Confidential Information. During the Term of this Agreement and for three (3) years from the termination of this Agreement, the Receiving Party shall:

(a) hold the Disclosing Party's Confidential Information in the strictest confidence and protect and safeguard the confidentiality of such Confidential Information with the utmost degree of care;

(b) not use the Disclosing Party's Confidential Information, or permit it to be accessed or used, for any purpose other than to exercise its rights or perform its obligations under this Agreement; and

(c) not disclose any such Confidential Information to any third party, except to the Receiving Party's representatives who need to know the Confidential Information to assist the Receiving Party, or act on its behalf, to exercise its rights or perform its obligations under this Agreement.

The Receiving Party shall be responsible for any breach of this Section 15 caused by any of its representatives. At any time during or after the Term, at the Disclosing Party's written request, the Receiving Party and its representatives shall, pursuant to Section 6.3, promptly destroy all Confidential Information and copies thereof that it has received under this Agreement.

16. Insurance. Buyer shall be required to maintain in full force and effect, at its own expense, the insurance policies set forth on Exhibit A hereto.

17. Intellectual Property; Ownership.

(a) All intellectual property and related proprietary rights and interests owned or held by Seller shall remain the sole and exclusive property of the Seller and no rights or claims of interest in such intellectual property shall be transferred or licensed under this Agreement.

(b) All intellectual property and related proprietary rights and interests which relates to the Products, or which is developed by Seller during the Term and at the specific request of Buyer or a Manufacturing Partner shall belong to Seller. No rights in and to such intellectual property shall be deemed to have been assigned, licensed or otherwise transferred to Buyer or a Manufacturing Partner.

18. Miscellaneous.

18.1 Further Assurances. Upon Seller's reasonable request, Buyer shall, at its sole cost and expense, execute and deliver all such further documents and instruments, and take all such further acts, necessary to give full effect to this Agreement.

18.2 Independence of the Parties.

(a) Generally. Notwithstanding anything contained herein, Buyer shall at all times exercise its discretion and independent judgment as to the ultimate management of Buyer. The Parties expressly acknowledge and agree that at no time shall the terms and conditions of this Agreement rise to the level of Seller's "management" or "control" of the operations of Buyer in a manner which would deem Seller a "true party of interest" or otherwise violate any rule or Applicable Law. In addition, nothing in the authority granted or obligations undertaken herein shall be construed or interpreted in a manner which qualifies Seller as a financier of Buyer under Applicable Law, the Parties agreeing that the Purchase Price is not based upon the proceeds or profits of Buyer, nor was it or will it be calculated in a manner that violates any Applicable Law.

(b) Relationship of the Parties. The relationship between Seller and Buyer is solely that of vendor and vendee, and they are independent contracting parties. This Agreement shall not be construed to create any agency, joint venture, partnership or other form of joint enterprise, employment or fiduciary, or creditor/debtor relationship between the Parties. Neither Party may represent itself to be an employee nor agent of the other Party, and neither Party can be bound by the other to any contract, arrangement, or understanding.

(c) Prohibition on Financing. Seller shall not provide any financing, financial gifts, or undertake any lending to Buyer as part of its agreement to sell the Services to Buyer under this Agreement.

18.3 Entire Agreement. This Agreement, including and together with all Purchase Orders and any related exhibits and schedules, constitutes the sole and entire agreement of the Parties with respect to the Services, and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, with respect to such subject matter.

18.4 Survival; Statute of Limitations. Subject to the limitations and other provisions of this Agreement: (a) the representations and warranties of the Parties contained herein will survive the termination of this Agreement for a period of 12 months after such termination; and (b) Sections 6.3, 7, 11, 12, 13, and 15 of this Agreement, as well as any other provision that, in order to give proper effect to its intent, should survive such termination, will survive the termination of this Agreement for the period specified therein, or if nothing is specified, for a period of 12 months after such termination. All other provisions of this Agreement will not survive the termination of this Agreement. Notwithstanding any right under any applicable statute of limitations to bring a claim, no action based upon or arising in any way out of this Agreement may be brought by either Party after the expiration of the applicable survival or other

period set forth in this Section 18.4 and the Parties waive the right to file any such action after the expiration of the applicable survival or other period; provided, however, that the foregoing waiver and limitation do not apply to the collection of any amounts due to Seller under this Agreement.

18.5 Notices. Any notice required to be provided under this Agreement will be delivered personally or sent by email, or registered or certified mail, addressed to the respective Parties at the addresses set forth below, or at such other address as may be later designated in accordance with this Section. Notices will be deemed received when actually delivered or three days after being mailed, whichever is earlier.

Notice to Seller:



Notice to Buyer:

E-mail: _____
Attention: _____

18.6 Headings. The headings in this Agreement are for reference only and do not affect the interpretation of this Agreement.

18.7 Severability. If any term or provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability does not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon a determination that any term or provision is invalid, illegal, or unenforceable, the Parties shall negotiate in good faith to modify this Agreement to effect the original intent of the Parties as closely as possible in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

18.8 Amendment and Modification. No amendment to termination or discharge of this Agreement is effective unless it is in writing, and signed by an authorized representative of each Party.

18.9 Waiver. No waiver under this Agreement is effective unless it is in writing, and signed by an authorized representative of the Party waiving its right. Any waiver authorized on one occasion is effective only in that instance and only for the purpose stated, and does not operate as a waiver on any future occasion.

18.10 Cumulative Remedies. All rights and remedies provided in this Agreement are cumulative and not exclusive, and the exercise by either Party of any right or remedy does not preclude the exercise of any other rights or remedies that may now or subsequently be available at law, in equity, by statute, in any other agreement between the Parties or otherwise. Notwithstanding the previous sentence, the Parties intend that Buyer's rights under Section 4.4, and each of the Parties' rights under Section 11 are such Party's exclusive remedies for the events specified therein.

18.11 Equitable Remedies. Buyer acknowledges and agrees that (a) a breach or threatened breach by Buyer of any of its obligations under Section 15 would give rise to irreparable harm to Seller for which

monetary damages would not be an adequate remedy and (b) in the event of a breach or a threatened breach by Buyer of any such obligations, Seller shall, in addition to any and all other rights and remedies that may be available to Seller at law, at equity, or otherwise in respect of such breach, be entitled to equitable relief, including a temporary restraining order, an injunction, specific performance, and any other relief that may be available from a court of competent jurisdiction, without any requirement to post a bond or other security, and without any requirement to prove actual damages or that monetary damages will not afford an adequate remedy. Buyer agrees that Buyer will not oppose or otherwise challenge the appropriateness of equitable relief or the entry by a court of competent jurisdiction of an order granting equitable relief, in either case, consistent with the terms of this Section.

18.12 Assignment. Buyer may not assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of Seller. Seller may assign any of its rights or delegate any of its obligations to any person or entity. Any purported assignment or delegation in violation of this Section is null and void. No assignment or delegation relieves the assigning or delegating Party of any of its obligations under this Agreement.

18.13 Successors and Assigns. This Agreement is binding on and inures to the benefit of the Parties and their respective permitted successors and permitted assigns.

18.14 No Third-Party Beneficiaries. This Agreement benefits solely the Parties to this Agreement and their respective permitted successors and permitted assigns and nothing in this Agreement, express or implied, confers on any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Agreement.

18.15 Governing Law; Venue. This Agreement, including all exhibits and schedules attached hereto, and all matters arising out of or relating to this Agreement, are governed by, and shall be construed in accordance with, the laws of the State of Washington, without regard to the conflict of laws provisions thereof. The Parties irrevocably and unconditionally submit to the exclusive jurisdiction of the courts of the State of Washington sitting in King County and agree to bring any action, litigation, or proceeding in any way arising from or relating to this Agreement only in such courts.

18.16 Attorney Fees. In the event that either Party shall commence any action against the other by reason of the alleged failure of the other to perform any term, covenant, or condition of this Agreement, the Party prevailing in said action shall be entitled to recover, in addition to its court costs, reasonable attorneys' fees.

18.17 Counterparts. This Agreement may be executed in counterparts, each of which is deemed an original, but all of which together are deemed to be one and the same agreement. Fax or other electronic transmission of any signed original, and re-transmission of any signed fax or other electronic transmission will be deemed equivalent to delivery of an original.

18.18 Force Majeure.

(a) Neither Party shall be liable or responsible to the other Party, nor be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement (except for any obligations of the Buyer to make payments to the Seller hereunder), when and to the extent such failure or delay is caused by or results from acts beyond the control of the impacted Party ("Impacted Party"), including, without limitation, the following force majeure events

("Force Majeure Event(s)": (a) acts of God; (b) flood, fire, earthquake, OTHER POTENTIAL DISASTER(S) OR CATASTROPHE(S), SUCH AS EPIDEMICS, or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest; (d) government order, law, or actions; (e) embargoes or blockades in effect on or after the date of this Agreement; (f) national or regional emergency; (g) strikes, labor stoppages or slowdowns, or other industrial disturbances; (h) shortage of adequate power or transportation facilities; and (i) other similar events beyond the reasonable control of the Impacted Party.

(b) The Impacted Party shall give notice within 10 days after the start the Force Majeure Event to the other Party, stating the period of time the occurrence is expected to continue. The Impacted Party shall use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized. The Impacted Party shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first set forth above.

SORSE TECHNOLOGY CORPORATION,
a Delaware, USA corporation

By: _____

Name: _____

Title: _____

PASCAL BIOSCIENCES INC., a British
Columbia, Canada company

By: _____

Name: _____

Title: _____

EXHIBIT A
INSURANCE REQUIREMENTS



SCHEDULE I
Wire Instructions

Incoming Domestic Wire Transfer Instructions

To receive incoming wire from another financial institution to a Washington Trust Bank account, please provide the sender with the below set of incoming wire instructions to avoid processing delays. **Please note:** the bank's method of notification for wires is by mail or fax.

