THIS SHARE EXCHANGE AGREEMENT made as of the 24th day of December, 2018.

AMONG:

BLACKLIST HOLDINGS, INC., a corporation existing under the laws of the State of Washington

(hereinafter called the "**Corporation**")

AND:

ZARA RESOURCES INC., a corporation existing under the laws of the Province of British Columbia

(hereinafter called the "**Acquiror**")

AND:

BLACKLIST FINCO INC., a corporation existing under the laws of the Province of British Columbia

(hereinafter called the "**Finco**")

AND:

1185669 B.C. LTD., a corporation existing under the laws of the Province of British Columbia

(hereinafter called the "**Zara Subco**")

AND:

ALL OF THE SHAREHOLDERS OF THE CORPORATION AS SET OUT IN SCHEDULE "A" HERETO

(hereinafter called the "**Corporation Shareholders**")

AND:

ALL SECURITYHOLDERS WHO EXECUTE AND DELIVER A SECURITYHOLDER CONSENT AGREEMENT FOLLOWING THE DATE HEREOF WHO WILL HOLD SHARES OF THE CORPORATION AS AT THE TIME OF CLOSING, INCLUDING THE DEBENTUREHOLDERS OF THE CORPORATION (hereinafter collectively referred to as, the "**Debentureholders**" and individually as, a "**Debentureholder**")

WHEREAS the Securityholders (as defined below) wish to transfer, and the Acquiror wishes to acquire from the Securityholders all of the Acquired Corporation Shares (as defined below), for the consideration and upon the terms and conditions set forth in this Agreement;

WHEREAS, the Corporation, the Acquiror, Finco and Zara Subco intend to enter into an amalgamation agreement contemplating a "three cornered amalgamation" whereby amongst other things, Finco and Zara Subco will amalgamate, the Acquiror will be issued all of the shares of the amalgamated company, and the shareholders of Finco will receive Acquiror Shares (as defined below) in exchange for their Finco common shares;

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

ARTICLE 1.
INTERPRETATION

1.1. Where used herein or in any amendments or schedules hereto, the following terms shall have the following meanings:

"**Acquired Corporation Shares**" means collectively all of the Corporation Shares outstanding at the Time of Closing which are exchanged for Acquiror Shares at the Exchange Ratio pursuant to the terms of this Agreement;

"**Acquiror Financial Statements**" has the meaning set out in Section 5.1(t);

"**Acquiror Material Contract**" has the meaning set out in Section 5.1(cc);

"**Acquiror Pre Consolidation Shares**" means the common shares in the capital of the Acquiror prior to the completion of the Consolidation;

"**Acquiror Preferred Shares**" has the meaning set out in Section 5.1(j)

"**Acquiror Public Disclosure Record**" means the Acquiror's publically filed documents, as filed on SEDAR;

"**Acquiror Shareholders**" means the holders of Acquiror Shares or Acquiror Pre Consolidation Shares, and if any Acquiror Preferred Shares are outstanding, the holders of such outstanding Acquiror Preferred Shares;

"**Acquiror Shareholder Approval**" means, as considered at the meeting contemplated in Section 8.3, the approval of a resolution approved by such number of the votes cast on such resolution by the Acquirior Shareholders present in person or represented by proxy at such voting together as a single class as required by the CSE or Applicable Law, including the BCBCA, approving the Transaction, the creation of a new control person, the election of the directors identified in Section 9.1 of this Agreement, an increase in the size of the Board identified in Section 9.1 of this Agreement and any matters related thereto, if required by a Governmental Entity or Applicable Law, in a form and in a manner acceptable to the CSE and in accordance with the BCBCA, and a special resolution approved by 66⅔% of the votes cast on such resolution by the Acquirior Shareholders present in person or represented by proxy at such voting together as a single class, approving the confirmation of the articles of the Acquiror, in a form acceptable to Blacklist;

"**Acquiror Shareholder Meeting**" means a special meeting of the Acquiror Shareholders to be held to obtain the Acquiror Shareholder Approval, if applicable;

"**Acquiror Shares**" means the common shares in the capital of the Acquiror following the completion of the Consolidation;

"**Acquiror Stock Option Plan**" means the Zara Resources Inc. Stock Option Plan;

"**Acquisition Price**" has the meaning ascribed to such team in Section 2.2 hereof;

"**Alternative Transaction**" means any of the following (other than the Transaction contemplated by this Agreement and the Amalgamation Agreement): (a) any merger, amalgamation, arrangement, share exchange, take-over bid, tender offer, recapitalization, consolidation or other business combination directly or indirectly involving the Corporation, the Acquiror, and in the case of the Corporation also shall include any analogous transaction whereby the Corporation becomes directly or indirectly publicly listed (b) any acquisition of 35% or more of the assets of the Corporation, the Acquiror or any of its subsidiaries (or any lease, long-term supply agreement, exchange, mortgage, pledge or other arrangement having a similar economic effect), (c) any acquisition of beneficial ownership of 20% or more of the Corporation Shares or the Acquiror Shares or Acquiror Pre Consolidation Share in a single transaction or a series of related transactions, or (d) any bona fide proposal to, or public announcement of an intention to, do any of the foregoing on or before the Termination Date;

"**Agreement**" means this Agreement and all amendments made hereto by written agreement signed by the parties and includes the schedules hereto;

"**Amalco**" means the company resulting from the Amalgamation;

"**Amalco Wind Up**" means the transaction by which Amalco will be wound up into the Acquiror and the assets of Amalco (which will consist of the cash invested by the investors in the Finco Financing, net of expenses) will be transferred to the Acquiror, which will be completed as soon as practicable following Closing;

"**Amalgamation**" means the amalgamation to be implemented by way of a "three-cornered" amalgamation whereby Zara Subco, a newly incorporated wholly-owned subsidiary of the Acquiror will amalgamate with Finco to form Amalco and holders of the outstanding Finco common shares will receive Acquiror Shares on a one-for-one share exchange basis pursuant to the Amalgamation Agreement to be entered into among Finco, the Corporation, Zara Subco and the Acquiror, to be completed as part of the Transaction;

"**Amalgamation Agreement**" means the agreement to be entered into among the Corporation, Finco, the Acquiror and Zara Subco, the form of which is attached to this Agreement as Schedule "F";

"**Applicable Laws**" means, in relation to any person or persons, applicable Securities Laws and all other statutes, regulations, statutory rules, orders, by-laws, codes, ordinances, decrees, the terms and conditions of any grant of approval, permission, authority or licence, or any judgment, order, decision, ruling, award, policy or guideline, of any Governmental Entity that are applicable to such person or persons or its or their business, undertaking, property or securities and emanate from a Governmental Entity, having jurisdiction over the person or persons or its or their business, undertaking, property or securities;

"**Assets**" includes all assets of the Corporation, including Intellectual Property, having a fair market value in excess of $10,000, and includes, but is not limited to, all of the assets to be described in the Financial Statements of the Corporation;

"**BCBCA**" means the *Business Corporations Act* (British Columbia);

"**Board**" means the board of directors of the Resulting Issuer;

"**Books and Records**" means books and records of the Corporation relating to the Corporation, including financial, corporate, operations and sales books, records, books of account, sales and purchase records, lists of suppliers and customers, formulae, business reports, plans and projections and all other documents, surveys, plans, files, records, assessments, correspondence, and other data and information, financial or otherwise, including all data, information and databases stored on computer-related or other electronic media;

"**Broker Warrants**" means the share purchase warrants to acquire Corporation Shares at an exercise price of $0.50 per Corporation Share issued to Skanderbeg Capital Advisors Inc. and governed by the terms of the Broker Warrant Certificate;

"**Broker Warrant Certificate**" means the certificate evidencing the Broker Warrants, which provides for the terms of the Broker Warrants;

"**Business Day**" means any day which is not a Saturday, Sunday or a statutory holiday in the Province of British Columbia;

"**Business Related IP**" means, collectively, all known and recognized IP of or pertaining to or used in connection with the business of the Corporation including all Owned IP (including Registered IP), In-Licensed IP and Customer Data;

"**Closing Date**" has the meaning set out in Section 11.1 hereof;

"**Closing**" has the meaning ascribed to such term in Section 11.1 hereof;

"**Code**" means the United States Internal Revenue Code of 1986, as amended;

"**Consideration Shares**" has the meaning set out in 2.2;

"**Consolidation**" means the consolidation of the issued and outstanding Acquiror Pre Consolidation Shares at a ratio that results in approximately 332,000 Acquiror Shares being outstanding on a post-Consolidation basis;

"**Contracts**" (individually, a "**Contract**") means all written or oral outstanding contracts and agreements, leases (including the real property leases), third-party licenses, insurance policies, deeds, indentures, instruments, entitlements, commitments, undertakings and orders made by or to which a party is bound or under which a party has, or will have, any rights or obligations and includes rights to use, franchises, license and sub-licenses agreements and agreements for the purchase and sale of assets or shares;

"**Conversion of Finco Subscription Receipts**" means the automatic exchange of Finco Subscription Receipts for common shares of Finco without payment of additional consideration pursuant to the terms and conditions of the Finco Subscription Receipts and the Subscription Receipt Agreement;

"**Copyleft OSS**" means any OSS that is subject to a license known as a "copyleft" license, including, but not limited to, the GNU General Public License, GNU Lesser General Public License, Mozilla Public License, or Share-Alike License, where the use thereof obligates the licensee to (i) distribute or disclose in Source Code form (or in any other dictated form) any other Owned IP that is software combined or distributed with such software, or (ii) license or otherwise make available on a royalty-free basis any other Source Code or product (or other IP rights) that is combined or distributed with software;

"**Corporation Board**" means the board of directors of the Corporation;

"**Corporation Financial Statements**" has the meaning set out in Section 3.1(i);

"**Corporation Material Contracts**" has the meaning set out in Section 3.1(o);

"**Corporation Nominee**" means each director of the Resulting Issuer who is nominated by the Acquiror, on the recommendation of the Corporation, prior to the completion of the Transaction;

"**Corporation Shareholders**" means, collectively, (a) the holders of an aggregate of 54,251,241 Corporation Shares as listed in Schedule "A", (b) upon the conversion of the Debentures at Closing, the Debentureholders who have, along with the Acquirer and the Corporation, properly executed the Corporation Securityholder Consent Agreement, and (c) any other Person who acquires Corporation Shares (including any brokers or finders who acquire Corporation Shares as consideration for services provided) and who, along with the Acquiror and the Corporation properly enters into a Corporation Securityholder Consent Agreement prior to the Time of Closing;

"**Corporation Shares**" means all issued and outstanding shares of stock in the capital of the Corporation;

"**Corporation Securityholder Consent Agreement**" means the consent agreement to be entered into between the Acquiror, the Corporation and each registered and beneficial owner of Debentures or other Person who acquires ownership (whether registered or beneficial) of Corporation Shares prior to the Time of Closing, substantially in the form attached hereto as Schedule "C";

"**COTS**" means commercial off-the-shelf software licenses and related services that are commercially available where the aggregate license cost for such software licenses and related services does not exceed $5,000 annually, but excludes OSS;

"**Customer Data**" commercial off-the-shelf software licenses and related services that are commercially available where the aggregate license cost for such software licenses and related services does not exceed $5,000 annually, but excludes OSS;

"**CSE**" means the Canadian Securities Exchange;

"**Debentures**" means the secured convertible debentures issued or to be issued by the Corporation convertible into Corporation Shares pursuant to the terms and conditions of the Debenture Certificate;

"**Debenture Certificate**" means the certificate evidencing the issuance of a Debenture, and outlining all terms and conditions thereof;

"**Debentureholders**" and "**Debentureholder**" means the registered holders of Debentures listed in the attached Schedule "B" and any beneficial owner of a Debenture (who is not also a registered holder) (together, if applicable, with any Persons that become a holder of Debentures prior to Closing);

"**Disclosed**" means in the case of the Corporation Shareholders and the Corporation, fairly disclosed (with sufficient details to identify the nature and scope of the matter disclosed) in the Disclosure Letter – Corporation, and, in the case of the Acquiror, fairly disclosed (with sufficient details to identify the nature and scope of the matter disclosed) in the Disclosure Letter - Acquiror);

"**Disclosure Letter - Acquiror**" means a letter of even date with this Agreement from the Corporation to the Acquiror that is described as the 'Disclosure Letter';

"**Disclosure Letter - Corporation**" means a letter of even date with this Agreement from the Corporation to the Acquiror that is described as the 'Disclosure Letter';

"**Encumbrances**" means any and all claims, liens, security interests, mortgages, pledges, pre-emptive rights, charges, options, equity interests, encumbrances, proxies, voting agreements, voting trusts, leases, tenancies, easements or other interests of any nature or kind whatsoever, howsoever created, but shall not include: (i) an encumbrance for Taxes not yet due and delinquent; (ii) inchoate or statutory encumbrances of contractors, subcontractors, mechanics, workers, suppliers, materialmen, carriers and others in respect of the construction, maintenance, repair or operation of the Assets, provided that such encumbrances are related to obligations not due or delinquent and in respect of which adequate holdbacks are being maintained as required by Applicable Law; and (iii) the right reserved to or vested in any Governmental Entity by any statutory provision or by the terms of any lease, licence, franchise, grant or permit of either Party, to terminate any such lease, licence, franchise, grant or permit, or to require annual or other payments as a condition of their continuance;

"**Environmental Laws**" has the meaning set forth in Section 5.1(ww);

"**Escrow Agent**" means Odyssey Trust Company, or such other escrow agent as may be agreed by the Acquiror and the Corporation;

"**Exchange Ratio**" means the ratio of one (1) Acquiror Share for each issued and outstanding Corporation Share as of the Closing Date;

"**Executable Code**" means with respect to software, computer programming code that loads and executes without further processing by a software compiler or linker or that results when a software compiler processes Source Code;

"**Finco**" means Blacklist Finco Inc., a wholly-owned subsidiary of the Corporation existing under the laws of the Province of British Columbia;

"**Finco Financing**" means the investment by investors of cash for Finco Subscription Receipts pursuant to the Subscription Receipt Agreement to be completed prior to the Closing;

"**Finco Subscription Receipts**" means receipts representing the right of the holder thereof to receive, in certain circumstances set forth in the terms attached to the subscription receipts and as provided in the Subscription Receipt Agreement, one common share of Finco, without any further act or formality, and for no additional consideration;

"**Finders**" means Privateer Capital Partners and Skanderbeg Capital Advisors Inc.;

"**Finders' Fee Agreement**" means the finder's fee agreement between the Acquiror and the Finders which contemplates, among other things, that a transaction fee will be paid to the Finders by the Acquiror as a finder's fee, by issuance of the Finder's Fee Shares as contemplated in this Agreement;

"**Finders' Fee Shares**" means an aggregate of 5,250,000 Acquiror Shares to be issued on a post-Consolidation basis by the Acquiror to the Finders as a finder's fee;

"**Finder's Warrants**" means the 6,000,000 share purchase warrants to acquire Corporation Shares at $0.05 to be issued to Skanderbeg Capital Advisors Inc. and governed by the terms of the Finder's Warrant Certificates executed on such date;

"**Finder's Warrant Certificates**" means the certificates evidencing the Finder's Warrants, which provides for the terms of the Finder's Warrants;

"**Governmental Entity**" means any applicable: (a) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign; (b) subdivision, agent, commission, board or authority of any of the foregoing; (c) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or (d) stock exchange, including the CSE;

"**IFRS**" means the International Financial Reporting Standards as issued by the International Accounting Standards Board;

"**Information Circular**" means, if required, the notice of meeting and management information circular of the Acquiror (or such similar document as may be required by the CSE or Applicable Law) to be sent to the Acquiror Shareholders in respect of the Acquiror Shareholder Meeting, prepared in accordance with applicable securities laws and the policies of the CSE;

"**In-Licensed IP**" means all IP that is licensed to the Corporation, and for greater certainty includes (i) any licenses to software-as-a-service, platform-as-a-service, or infrastructure-as-a-service, or any similar cloud-based services, (ii) any OSS licenses, and (iii) any other licenses;

"**IP**" means any and all known and recognized intellectual property or proprietary rights arising at law or in equity, including, without limitation, (i) patents, all patent rights and all patent rights and all applications therefor and all reissues, re-examinations, continuations, continuations-in-part, divisions, and patent term extensions thereof, (ii) inventions (whether patentable or not), discoveries, improvements, concepts, innovations and industrial models, (iii) registered and unregistered copyrights, copyright registrations and applications, mask works and mask work registrations and applications therefor, author's rights and works of authorship, (iv) URLs, web sites, web pages and any part thereof, (v) technical information, know-how, trade secrets, drawings, designs, design protocols, specifications, proprietary data, customer lists, databases, proprietary and manufacturing processes, technology, formulae, and algorithms, (vi) trade names, trade dress, trademarks, domain names, service marks, logos, business names, and registrations and applications therefor, (vii) industrial designs or design patents, whether or not patentable or registrable, patented or registered or the subject of applications for registration or patent or registration and all rights of priority, applications, continuations, continuations-in-part, divisions, re-examinations, reissues and other derivative applications and patents therefor, (viii) licenses, contacts and agreements otherwise relating to the IP, and (ix) the goodwill symbolized or represented by the foregoing;

'**laws**" means all statutes, codes, ordinances, decrees, rules, regulations, municipal by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, or any provisions of the foregoing, including general principles of common and civil law and equity, binding on or affecting the person referred to in the context in which such word is used; and "**law**" means any one of them;

"**License Agreements**" has the meaning set out in Section 3.1(ii);

"**Listing**" has the meaning set out in Section 5.1(e);

"**Listing Statement**" means the listing statement of the Acquiror in accordance with requirements of the CSE in respect of the Transaction;

"**Locked-Up Shareholders**" means those Acquiror Shareholders as set out in the Disclosure Letter - Acquiror, who have entered into voting agreements with the Corporation to vote their Acquiror Shares in favour of the matters subject to Acquiror Shareholder Approval;

"**Material Adverse Change**" means a change with respect to a Person that would have a Material Adverse Effect;

"**Material Adverse Effect**" means, in respect of any Person, any change, effect, event, circumstance, fact or occurrence that individually or in the aggregate with other such changes, effects, events, circumstances, facts or occurrences, is or would reasonably be expected to be, material and adverse to the business, condition (financial or otherwise), properties, prospects, assets (tangible or intangible), liabilities (including any contingent liabilities), operations or results of operations of that Person and its subsidiaries, taken as a whole, except any change, effect, event, circumstance, fact or occurrence resulting from or relating to: (i) the announcement of the execution of this Agreement or the transactions contemplated hereby; (ii) general political, economic or financial conditions in Canada or the United States of America;

(iii) the state of securities or commodity markets in general; (iv) any natural disaster or the commencement or continuation of any war, armed hostilities or acts of terrorism (provided that it does not have a materially disproportionate effect on that Person relative to companies operating in the business or industry in which the Person operates); (v) any change or development generally affecting the industry in which the Person operates (provided that it does not have a materially disproportionate effect on that Person relative to companies operating in the business or industry in which the Person operates; (vi) any adoption, proposed implementation or change in applicable law or any interpretation thereof by any Governmental Entity; (vii) any change in IFRS or changes in applicable regulatory accounting requirements applicable to the industry in which it conducts business; (viii) changes or developments in or relating to currency exchange or interest rates; or (ix) any decrease in the trading price or any decline in the trading volume of that Person's common shares (it being understood that the causes underlying such change in trading price or trading volume (other than those in items (i) to (viii) above) may be taken into account in determining whether a Material Adverse Effect has occurred);

"**Material Contract**" means any Contract to which a person is a party and which is material to such person, including any Contract: (i) the termination of which would have a Material Adverse Effect on such person; (ii) any contract which would result in payments to or from such person or its subsidiaries (if any) in excess of $25,000, whether payable in one payment or in successive payments; (iii) any agreement or commitment relating to the borrowing of money or to capital expenditures; and (iv) any agreement or commitment not entered into in the ordinary course of business;

"**material fact**" shall have the meaning ascribed to it in the *Securities Act* (British Columbia);

"**Mineral Properties**" has the meaning ascribed to it in section 5.1(ww);

"**misrepresentation**" shall have the meaning ascribed to it in the *Securities Act* (British Columbia);

"**Non-Resident Securityholders**" means those Securityholders identified in the attached Schedule "A" and Schedule "B" as being non-residents of Canada for the purposes of the Tax Act;

"**OSS**" means software in any form (including Executable Code and Source Code) that is subject to a license commonly referred to as an "open source", "free software", or "community source code" license whether or not it is Copyleft OSS, including, but not limited to, the MIT License, BSD License, Apache License, X11 License, and Copyleft OSS;

"**Owned IP**" means all IP owned by or registered to Corporation, including all technology, products or services marketed, distributed, licensed or conveyed through the business of Corporation, including Registered IP but excluding In-Licensed IP;

"**Performance Warrants**" means the up to 11,000,000 share purchase warrants to acquire Corporation Shares at an exercise price of $0.05 per Corporation Share to be issued to certain Corporation Shareholders prior to Closing and to be governed by the terms of the Performance Warrant Certificate;

"**Performance Warrant Certificates**" means the certificates that will evidence the Performance Warrants, which will provide for the terms of the Performance Warrants;

"**Permit**" means any license, permit, certificate, consent, order, grant, approval, classification, registration or other authorization of and from any Governmental Entity;

"**Person**" includes an individual, partnership, association, unincorporated organization, trust and corporation and a natural person acting in such person's individual capacity or in such person's capacity as trustee, executor, administrator, agent or other legal representative;

"**Personally Identifiable Information**" means any information that alone or in combination with other information held by the Corporation can be used to specifically identify a person including but not limited to a natural person's name, street address, telephone number, e-mail address, photograph, social insurance number, driver's license number, passport number, credit or debit card number or customer or financial account number or any similar information that is treated as "Personally Identifiable Information" under any Applicable Laws;

"**PFIC**" has the meaning set forth in Section 5.1(qq);

"**Recommendation**" has the meaning set out in 8.3;

"**Registered IP**" means all IP that is registered or the subject of an application for registration or registration procedures in the name of Blacklist, its affiliates and subsidiaries with any government, regulatory body or third person, including, but not limited to all (i) patents, (ii) trade-marks, (iii) copyrights, (iv) industrial designs, (v) domain names and (vi) circuit topographies;

"**Regulation D**" means Regulation D under the U.S. Securities Act;

"**Regulation S**" means Regulation S under the U.S. Securities Act;

"**Release**" means any release, spill, emission, leaking, pumping, pouring, emitting, emptying, escape, injection, deposit, disposal, discharge, dispersal, dumping, leaching or migration of hazardous substance in the indoor or outdoor environment, including the movement of hazardous substance through or in the air, soil, surface water, groundwater or property;

"**Representatives**" means, collectively, in respect of a Person, (a) its directors, officers, employees, agents, representatives and any financial advisor, law firm, accounting firm or other professional firm retained to assist the Person in connection with the transactions contemplated in this Agreement, and (b) the Person's affiliates and subsidiaries and the directors, officers, employees, agents and representatives and advisors thereof;

"**Resulting Issuer**" means the Acquiror following the Consolidation and the completion of the Transaction;

"**Resulting Issuer Shares**" means the common shares of the Resulting Issuer;

"**Securities Laws**" means the securities legislation having application, the regulations and rules thereunder and all administrative policy statements, instruments, blanket orders, notices, directions and rulings issued or adopted by the applicable securities regulatory authority, all as amended;

"**Securityholders**" means the Corporation Shareholders and Debentureholders;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators;

"**Share Exchange**" means the transactions described in Section 2.1;

"**Source Code**" means, in respect of software, all computer code, files and data that are necessary to build or modify the Executable Code version of such software, including (i) all human readable language elements such as computer programs written in a high-level or low-level computer programming language such as HTML, VBscript, JavaScript, and SQL, and (ii) all build files, data, materials, documentation and commentary relevant thereto;

"**Stock Exchange Listing**" means the conditional approval of CSE for the listing of the Consideration Shares on the CSE;

"**Subscription Receipt Agreement"** means the Subscription Receipt Agreement between the Corporation, Finco and Odyssey Trust Company made as of November 26, 2018;

"**Taxes**" means any tax, impost, levy, withholding, duty, fee, premium, assessment and other charge of any kind, however denominated and any instalment or advance payment in respect thereof, including any interest, penalties, fines or other additions that have been, are or will become payable in respect thereof, imposed by any Governmental Entity, including for greater certainty any income, gain or profit tax (including federal, state, provincial and territorial income tax), payroll and employee withholding tax, employment or payroll tax, unemployment insurance, disability tax, social insurance tax, social security contribution, sales and use tax, consumption tax, customs tax, ad valorem tax, excise tax, goods and services tax, harmonized sales tax, franchise tax, gross receipts tax, capital tax, business license tax, alternative minimum tax, estimated tax, abandoned or unclaimed (escheat) tax, occupation tax, real and personal property tax, stamp tax, environmental tax, transfer tax, severance tax, workers' compensation, Canada and other government pension plan premium or contribution and other governmental charge, and other obligations of the same or of a similar nature to any of the foregoing, together with any interest, penalties or other additions to tax that may become payable in respect of such tax, and any interest in respect of such interest, penalties and additions whether disputed or not, and "Taxes" has a corresponding meaning;

"**Tax Act**" means the *Income Tax Act* (Canada), as amended from time to time;

"**Tax Return**" means all returns, declarations, designations, forms, schedules, reports, elections, notices, filings, statements (including withholding tax returns and reports and information returns and reports) and other documents of every nature whatsoever filed or required to be filed with any Governmental Entity with respect to any Taxes together with all amendments and supplements thereto;

"**Termination Date**" means April 30, 2019 or such later date as may be agreed in writing between the Acquiror and the Corporation;

"**Time of Closing**" has the meaning ascribed to such term in Section 9.1 hereof;

"**Transaction**" means collectively the (i) Finco Financing, (ii) Conversion of Finco Subscription Receipts, (iii) Share Exchange, (iv) Amalgamation, and (v) Amalco Wind Up;

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

"**U.S. Exchange Act**" means the United States Securities Exchange Act of 1934, as amended;

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended;

"**U.S. Securityholder**" (i) any person who receives or received an offer of the Acquiror Shares while in the United States; (ii) any person acquiring the Acquiror Shares on behalf of, or for the account or benefit of any person in the United States, or (iv) any person who is or was in the United States at the time when such person executed or delivered this Share Exchange Agreement; and

"**Zara Subco**" means 1185669 B.C. Ltd., a wholly-owned subsidiary of the Acquiror organized under the laws of the province of British Columbia.

1.2. Parties

The Corporation, the Acquiror, Finco, Zara Subco, the Securityholders and each person or entity that becomes a party hereto in accordance with the terms hereof are collectively referred to as "**Parties**" and individually as a "**Party**".

1.3. Interpretation Not Affected by Headings

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement. Unless the contrary intention appears, references in this Agreement to an Article, Section or Schedule by number or letter or both refer to the Article, Section or Schedule, respectively, bearing that designation in this Agreement.

1.4. Number and Gender

In this Agreement, unless the contrary intention appears, words importing the singular include the plural and vice versa, and words importing gender include all genders.

1.5. Date for Any Action

If the date on or by which any action is required or permitted to be taken hereunder by a Party is not a Business Day, such action shall be required or permitted to be taken on the next succeeding day which is a Business Day.

1.6. Currency

Unless otherwise stated, all references in this Agreement to sums of money are expressed in lawful money of Canada and "$" refers to Canadian dollars.

1.7. Accounting Matters

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under IFRS and all determinations of an accounting nature required to be made shall be made in a manner consistent with IFRS consistently applied.

1.8. Knowledge

In this Agreement, references to "the knowledge of the Acquiror" (or similar expressions) will be deemed to mean the actual knowledge of any director of the Acquiror, together with the knowledge such person would have had if they conducted a diligent inquiry into the relevant subject matter.

In this Agreement, references to "the knowledge of the Corporation" means the actual knowledge of John Gorst, Chief Executive Officer of the Corporation, together with the knowledge such person would have had if they had conducted a diligent inquiry into the relevant subject matter.

Any references to the "knowledge of the Corporation Shareholders" (or similar expressions) will be deemed to mean the actual knowledge of the applicable Corporation Shareholder, together with the knowledge such person would have had if they had conducted a diligent inquiry into the relevant subject matter.

1.9. Schedules

The following Schedules are annexed to this Agreement and are incorporated by reference into this Agreement and form a part hereof:

Schedule "A"	Corporation Shareholders
Schedule "B"	Debentureholders of the Corporation
Schedule "C"	Corporation Securityholder Consent Agreement
Schedule "D"	U.S. Representation Letter for U.S. Secuirtyholders
Schedule "E"	Acquiror Material Contracts
Schedule "F"	Amalgamation Agreement

ARTICLE 2.
THE SHARE EXCHANGE AND TRANSACTION

2.1. Subject to the terms and conditions hereof, and concurrently with the completion of the Amalgamation and the Stock Exchange Listing, at the Time of Closing, the Corporation Shareholders shall contribute to the Acquiror, and the Acquiror shall accept from the Corporation Shareholders, the Acquired Corporation Shares held by the Corporation Shareholders in exchange for the Acquisition Price, and the Corporation Shareholders shall deliver to the Acquiror certificates representing the Acquired Corporation Shares or, in the case of the Corporation Shareholders who were previously Debentureholders, other documentation representing their ownership of the Corporation Shares acquired upon the automatic conversion of their Debentures into Corporation Shares immediately before the Time of Closing pursuant to Section 2.4 herein, duly endorsed in blank for transfer, registered in the name of the Acquiror or accompanied by duly executed powers of attorney in respect thereof for the transfer of Acquired Corporation Shares to the Acquiror.

2.2. The acquisition price (the "**Acquisition Price**") for the Acquired Corporation Shares shall be paid and satisfied by the issuance and delivery at the Time of Closing of such number of Acquiror Shares as is equal to the Exchange Ratio multiplied by the number of Corporation Shares issued and outstanding at the Time of Closing (including Corporation Shares issued upon the automatic conversion of the outstanding Debentures pursuant to Section 2.4 herein) free and clear of any encumbrances (the "**Consideration Shares**"). To the extent a Corporation Shareholder is to receive a fractional Consideration Share, that entitlement shall be rounded down to the nearest whole number and no consideration shall be payable therefore. The Consideration Shares are being issued on a post-Consolidation basis at a deemed value of $0.50 per Consideration Share.

2.3. Upon conversion of the Debentures into Corporation Shares immediately prior to the Time of Closing upon satisfaction or waiver of the conditions precedent to Closing pursuant to the terms of the Debentures, the Corporation Shares acquired shall form part of the Acquired Corporation Shares and, at the Time of Closing, the Corporation Shares issued to the Debentureholders pursuant to the conversion of the Debentures will be exchanged for the Acquiror Shares at the Exchange Ratio provided the registered and beneficial owners of the Debentures execute the Corporation Securityholder Consent Agreement. The Parties agree that all Debentureholders shall become a party to and be bound by this Agreement.

2.4. If any holder of the Broker Warrants exercises any or all of the outstanding Broker Warrants prior to the Time of Closing, the Corporation Shares issued upon the exercise of such Broker Warrants shall form part of the Acquired Corporation Shares and if such Person exercising the Broker Warrants is not already party to this Agreement, pursuant to the terms of the Broker Warrant Certificate, such Person must execute the Corporation Securityholder Consent Agreement prior to receiving ownership over the Corporation Shares to be received upon exercise of the Broker Warrants.

2.5. The Parties agree that no Person who is not subject to this Agreement may acquire ownership (either registered or beneficial) of the Corporation Shares without first executing the Corporation Securityholder Consent Agreement.

2.6. In addition, for greater certainty, if any Corporation Shareholder acquires any additional Corporation Shares, such additional Corporation Shares so acquired shall form part of the Acquired Corporation Shares and the applicable Corporation Shareholder covenants and agrees to sell, assign and transfer to the Acquiror and the Acquiror covenants and agrees to purchase from such Corporation Shareholder the additional Corporation Shares held by such Corporation Shareholder.

2.7. At Closing, the Acquiror will expressly assume the provisions of the Broker Warrant Certificate by executing a supplemental warrant certificate (the "**Supplemental Broker Warrant Certificate**") which will provide that each holder of unexercised Broker Warrants shall be entitled to, pursuant to the terms of the Supplemental Broker Warrant Certificate, receive Acquiror Shares in lieu of Corporation Shares upon the exercise of the Broker Warrants at an exercise price of $0.50 per Acquiror Share.

2.8. At Closing, the Acquiror will expressly assume the provisions of each of the outstanding Performance Warrant Certificates by executing supplemental warrant certificates (each a "**Supplemental Performance Warrant Certificate**") which will provide that each holder of Performance Warrants shall be entitled to, pursuant to the terms of the Supplemental Performance Warrant Certificate, receive Acquiror Shares in lieu of Corporation Shares upon the exercise of the Performance Warrants at an exercise price of $0.05 per Acquiror Share.

2.9. At Closing, the Acquiror will expressly assume the provisions of each of the outstanding Finder's Warrant Certificates by executing supplemental warrant certificates (each a "**Supplemental Finder's Warrant Certificate**") which will provide that each holder of the Finder's Warrants shall be entitled to, pursuant to the terms of the Supplemental Finder's Warrant Certificate, receive Acquiror Shares in lieu of Corporation Shares upon the exercise of the Finder's Warrants at an exercise price of $0.05 per Acquiror Share.

2.10. The Parties acknowledge and agree that the Consideration Shares to be issued hereunder shall be issued as fully paid and non-assessable shares in the Resulting Issuer, free and clear of any and all Encumbrances.

2.11. The Corporation Shareholders acknowledge and agree with the Acquiror that a portion of the Consideration Shares to be issued as part of the Transaction will be subject to escrow requirements of the CSE, resale restrictions under applicable Securities Laws (including the Securities Laws of the United States) and/or the policies of the CSE, and that any escrowed Consideration Shares will not be transferable until such Consideration Shares are no longer subject to escrow restrictions and are released from escrow.

2.12. Prior to the Closing, the Acquiror shall complete the Consolidation, whereby the issued and outstanding Acquiror Pre Consolidation Shares will be consolidated on the basis of a ratio to be determined prior to Closing. Following the Consolidation, the Acquiror will have approximately 332,000 issued and outstanding Acquiror Shares. Upon completion of the Consolidation, each of the Acquiror, the Corporation and the Securityholders agree that each Acquiror Share shall have a deemed value of $0.50 per Acquiror Share.

2.13. Resale Restrictions.

Each of the Securityholders acknowledges and agrees as follows:

(a) the transfer of the Acquired Corporation Shares and the issuance of the Consideration Shares in exchange therefor, will be made pursuant to appropriate exemptions (the "**Exemptions**") from the formal takeover bid and registration and prospectus (or equivalent) requirements of the Securities Laws;

(b) that the Consideration Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws, and the U.S. Securityholders will not offer or sell the Consideration Shares unless such securities are registered under the U.S. Securities Act and the laws of all applicable states of the United States or an exemption from such registration requirements is available;

(c) that the CSE, in addition to any restrictions on transfer imposed by applicable Securities Laws, may require certain of the Consideration Shares to be held in escrow in accordance with the policies of the CSE. The Acquiror agrees to use commercially reasonable efforts to ensure that the minimum restrictions on transfer permitted by the CSE are imposed on the Consideration Shares and to provide the Securityholders (or the Corporation on behalf of the Secuirtyholders) with the opportunity to make submissions to the CSE in respect of same;

(d) as a consequence of acquiring the Consideration Shares pursuant to the Exemptions:

(i) the Securityholder may be restricted from using certain of the civil remedies available under the applicable Securities Laws;

(ii) the Securityholder may not receive information that might otherwise be required to be provided to the Securityholder, and the Acquiror is relieved from certain obligations that would otherwise apply under applicable Securities Laws if the Exemptions were not being relied upon by the Acquiror;

(iii) no securities commission, stock exchange or similar regulatory authority has reviewed or passed on the merits of an investment in the Consideration Shares;

(iv) there is no government or other insurance covering the Consideration Shares; and

(v) an investment in the Consideration Shares is speculative and of high risk;

(e) the certificates representing the Consideration Shares will bear such legends as required by Securities Laws (including but not limited to the U.S. Securities Act) and the policies of the CSE and it is the responsibility of the Securityholder to find out what those restrictions are and to comply with them before selling the Consideration Shares; and

(f) the Securityholder is knowledgeable of, or has been independently advised as to, the Applicable Laws of that jurisdiction which apply to the exchange of the Acquired Corporation Shares and the issuance of the Consideration Shares and which may impose restrictions on the resale of such Consideration Shares in that jurisdiction and it is the responsibility of the Securityholder to find out what those resale restrictions are, and to comply with them before selling the Consideration Shares.

2.14. The Acquiror does not assume and shall not be liable for any Taxes under the Tax Act, the Code or any other Taxes whatsoever which may be or become payable by the Securityholders including, without limiting the generality of the foregoing, any Taxes resulting from or arising as a consequence of the contribution by the Securityholders to the Acquiror of the Acquired Corporation Shares in exchange for Acquiror Shares herein contemplated, and the Securityholders shall indemnify and save harmless the Acquiror from and against all such Taxes.

2.15. The Parties agree that concurrently with the execution of this Agreement, the Corporation, Acquiror, Finco, and Zara Subco will execute the Amalgamation Agreement and that the Amalgamation shall be completed concurrently with the Closing.

2.16. The Parties intend and agree that all steps of the Transaction shall be completed as specified and that no single step shall be completed without the intent of the Parties to complete the remaining steps of the Transaction.

2.17. U.S. Tax Treatment. The Parties to this Agreement intend that the Transaction shall constitute a single integrated transaction which qualifies as Tax-deferred exchange pursuant to Section 351 of the Code. In connection with the Transaction and at all times from and after the Closing, the Parties agree to treat Resulting Issuer as a United States domestic corporation for U.S. federal income Tax purposes pursuant to Section 7874(b) of the Code. No Party shall take any action, fail to take any action, cause any action to be taken or cause any action to fail to be taken that could reasonably be expected to prevent: (i) the Transaction from qualifying as a Tax-deferred exchange within the meaning of Section 351 of the Code; or (ii) the Resulting Issuer from being treated as a United States domestic corporation for U.S. federal income Tax purposes pursuant to Section 7874(b) of the Code. Each Party hereto agrees to act in good faith, consistent with the terms of this Agreement and the intent of the Parties and the intended U.S. federal income Tax treatment of the Transaction as set forth in this Section 2.16. Each Party shall retain such records and file such information as is required to be retained and filed pursuant to U.S. Treasury Regulations section 1.351-3 in connection with the Transaction and shall use its best efforts to cause the Transaction to qualify as a Tax-deferred exchange within the meaning of Section 351 of the Code. Notwithstanding the foregoing, none of the Corporation Shareholders, the Acquiror, the Corporation nor the Resulting Issuer makes any representation, warranty or covenant to any other Party or to any Corporation Shareholder, Acquiror equity holder, Corporation equity holder or Resulting Issuer equity holder (including, without limitation, holder of stock, membership interests, options, warrants, debt instruments or other similar rights or instruments) regarding the U.S. Tax treatment of the transactions contemplated by this Agreement, including, but not limited to, whether the Transaction will qualify as a Tax-deferred exchange within the meaning of Section 351 of the Code or whether the Resulting Issuer will be

treated as a United States domestic corporation for U.S. federal income Tax purposes under Section 7874(b) of the Code as a result of the Transaction.

2.18. Any cheque, document, instrument or thing which is to be delivered by any Party hereto at the Closing shall be tabled at a pre-Closing at the place of Closing referred to above by the Party which is to deliver such cheque, document, instrument or thing, and any cheque, document, instrument or thing so tabled by a Party hereto shall be held in escrow by counsel for such Party until the Time of Closing and released from escrow at the Time of Closing provided all cheques, documents, instruments and things which are to be delivered at the Closing are tabled in accordance with this section at the Closing.

ARTICLE 3.
REPRESENTATIONS AND WARRANTIES OF THE CORPORATION

3.1. The Corporation represents and warrants to the Acquiror as follows, and acknowledges that the Acquiror is relying on such representations and warranties in connection with the transactions contemplated herein:

(a) the Corporation is a corporation validly existing and in good standing under the laws of the State of Washington and is duly registered, licensed or qualified to carry on business under the laws of the jurisdictions in which the nature of its business makes such registration, licensing or qualification necessary;

(b) the Corporation has the corporate power and capacity to enter into this Agreement and each additional agreement or instrument to be delivered pursuant to this Agreement, to perform its obligations hereunder and thereunder to own and lease it property, and to carry on its businesses as now being conducted;

(c) this Agreement has been, and each additional agreement or instrument to be delivered pursuant to this Agreement will be prior to the Time of Closing, duly authorized, executed and delivered by the Corporation and assuming the due authorization, execution and delivery by the Acquiror and the other Parties, each is, or will be at the Time of Closing, a legal, valid and binding obligation of the Corporation, enforceable against the Corporation in accordance with its terms;

(d) the execution and delivery of this Agreement does not, and the consummation of the Transaction will not, (i) result in a breach or violation of the articles or by-laws of the Corporation or of any resolutions of the directors or shareholders of the Corporation, (ii) conflict with, result in a breach of, constitute a default under or accelerate the performance required by or result in the suspension, cancellation, material alteration or creation of an encumbrance upon any material agreement (including any Corporation Material Contract), license or permit to which the Corporation is a party or by which the Corporation is bound or to which any material assets or property of the Corporation is subject, or (iii) violate any provision of any applicable law or regulation or any judicial or administrative order, award, judgment or decree applicable to the Corporation;

(e) the authorized capital of the Corporation consists of 127,500,000 Corporation Shares with a par value of $0.0001 per share and 2,000,000 preferred shares with a par value of $0.001 per share, and 2,000,000 class A convertible preferred stock with a par value of $0.001 per share, of which, as of the date of this Agreement, 54,251,241 Corporation Shares are issued and outstanding as fully paid and non-assessable and no preferred shares or shares of class A preferred shares are outstanding;

(f) the only outstanding securities convertible, exchangeable or exercisable into Corporation Shares are the Debentures and the Broker Warrants, and other than as set out herein, there are no other the Corporation Shares or securities convertible, exercisable or exchangeable into the Corporation Shares issued or outstanding;

(g) other than as set forth in of the Disclosure Letter - Corporation, the Corporation does not own, and has not at any time owned, and does not have any agreements of any nature to acquire, directly or indirectly, any shares in the capital of or other equity or proprietary interests in any person, and the Corporation does not have any agreements to acquire or lease any material assets or properties or any other business operations;

(h) other than the Debentureholders, the holders of the Broker Warrants, the Acquiror pursuant to this Agreement, any broker or finder who has performed (or will perform) services for the Corporation or Finco in connection with the Transaction, and any person who receives Performance Warrants or Finder's Warrants prior to Closing, no person has any agreement, option, right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, including convertible securities, options, warrants or convertible obligations of any nature, for the purchase, subscription, allotment or issuance of any unissued shares or other securities of the Corporation;

(i) the audited financial statements of the Corporation for the fiscal year ended December 31, 2017 and the unaudited financial statements of the Corporation for the nine month period ended September 30, 2018 (the "**Corporation Financial Statements**"), will be prepared in accordance with IFRS. The Corporation Financial Statements will be true, correct and complete and present fairly the assets, liabilities (whether accrued, absolute, contingent or otherwise) and financial condition of the Corporation as at the date thereof and results of operations of the Corporation for the periods then ended. From September 30, 2018, there will be no material alteration in the manner of keeping the books, accounts or records of the Corporation or in its accounting policies or practices;

(j) the Corporation's auditors who will audit the Corporation Financial Statements will be independent public accountants;

(k) except as disclosed in the Corporation Financial Statements, there will be no related-party transactions or off-balance sheet structures or transactions with respect to the Corporation;

(l) except as disclosed in the Corporation Financial Statements, and those incurred in connection with the Transaction, including but not limited to the Debentures, the Corporation has no material indebtedness, liabilities or obligations (secured or unsecured) and is not a party to, or bound by, any material agreement of guarantee, indemnification, assumption or endorsement or any like commitment of the obligations, liabilities (contingent or otherwise) or material indebtedness of any other Person;

(m) from September 30, 2018, there has been no material adverse change in the condition (financial or otherwise), assets, liabilities, operations, earnings or business of the Corporation;

(n) the Corporation currently conducts cannabis-related business activities in states in the United States which have legalized cannabis for medical or adult use. The Corporation conducts its operations in those states in compliance in all material respects with all applicable state laws, regulations, by-laws, ordinances, regulations, rules, judgments, decrees and orders of those states, however, cannabis remains a Schedule I controlled substance under U.S. federal law, and the Corporation's activities in those states may constitute a violation of U.S. federal criminal laws applicable to such conduct, including, but not limited to, the Controlled Substances Act, anti-money laundering laws, and the Racketeer Influenced and Corrupt Organizations Act;

(o) the Contracts listed in the Disclosure Letter (the "**Corporation Material Contracts**"), together with this Agreement and the Amalgamation Agreement and after the execution and delivery hereof, all ancillary agreements contemplated herein or therein, constitute all the Material Contracts of the Corporation. Each of the Corporation Material Contracts is in full force and effect, unamended, and there exists no default, warranty claim or other obligation or liability or event, occurrence, condition or act 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. The Corporation has not violated or breached, in any material respect, any of the terms or conditions of any the Corporation Material Contract and all the covenants to be performed by any other party thereto have been fully and properly performed;

(p) except as disclosed in the Disclosure Letter - Corporation, there are no waivers, consents, notices or approvals required to be given or obtained by the Corporation in connection with the Transaction and the other transactions contemplated by this Agreement under any Corporation Material Contract;

(q) no consent, approval, order or authorization of, or registration or declaration with, any applicable Governmental Entity with jurisdiction over the Corporation is required to be obtained by the Corporation in connection with the execution and delivery of this Agreement, except for those consents, orders, authorizations, declarations, registrations or approvals which are contemplated by this Agreement or those consents, orders, authorizations, declarations, registrations or approvals that, if not obtained, would not prevent or materially delay the consummation of the Transaction or otherwise prevent or materially delay the Corporation from performing its obligations under this Agreement and could not reasonably be expected to have a Material Adverse Effect on the Corporation;

(r) there is no suit, action or proceeding or, to the knowledge of the Corporation, pending or threatened against the Corporation that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect on the Corporation, and there is no judgment, decree, injunction, rule or order of any Governmental Entity outstanding against the Corporation causing, or which could reasonably be expected to cause, a Material Adverse Effect on the Corporation;

(s) no bankruptcy, insolvency or receivership proceedings have been instituted by the Corporation or, to the knowledge of the Corporation, are pending against the Corporation;

(t) the Corporation has good and marketable title to its properties and assets (other than property or an asset as to which the Corporation is a lessee, in which case it has a valid leasehold interest), except for such defects in title that individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect on the Corporation;

(u) except as disclosed in the Disclosure Letter - Corporation, no person has any written or oral agreement, option, understanding or commitment, or any right or privilege capable of becoming an agreement, option, understanding or commitment for the purchase from the Corporation of any of its assets or property;

(v) the Corporation has all permits, licences, certificates of authority, orders and approvals of, and has made all filings, applications and registrations with, applicable Governmental Entities and other persons that are required in order to permit it to carry on its business as presently conducted, except for such permits, licences, certificates, orders, filings, applications and registrations required under United States federal law, or the failure to have or make, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect on the Corporation, and all such permits, licenses, certificates of authority, orders and approvals are in good standing and fully complied with in all material respects;

(w) except as disclosed in the Disclosure Letter - Corporation, the Corporation has filed in the prescribed manner and within the prescribed times all Tax Returns required to be filed by the Corporation in all applicable jurisdictions as of the date hereof and all Tax Returns that have been filed by, or with respect to the Corporation are true, complete and correct in all material respects, report all income and all other amounts and information required to be reported thereon and disclose any Taxes required to be paid for the periods covered thereby. The Corporation has duly and timely paid any material Taxes due and payable by it, including all instalments on account of Taxes that are due and payable before the date hereof, whether or not assessed by the appropriate Governmental Entity, and has duly and timely paid all assessments and reassessments it has received in respect of any Taxes;

(x) there are no audits, reassessments or other proceedings in progress or, to the knowledge of the Corporation, threatened against the Corporation, in respect of any Taxes and, in particular, there are no currently outstanding reassessments or written enquiries which have been issued or raised by any Governmental Entity relating to any Taxes, and the Corporation is not aware of any contingent liability of the Corporation for Taxes or any grounds that could reasonably prompt an assessment or reassessment for any Taxes, and the Corporation has not received any indication in writing from any Governmental Entity that any assessment or reassessment is proposed;

(y) the Corporation has deducted, withheld or collected and remitted in a timely manner to the relevant Governmental Entity all Taxes required to be deducted, withheld or collected and remitted by the Corporation;

(z) the Corporation has not been notified in writing by any Governmental Entity of any investigation with respect to it that is pending, nor has any Governmental Entity notified the Corporation in writing of such Governmental Entity's intention to commence or to conduct any investigation that could be reasonably likely to have a Material Adverse Effect on the Corporation;

(aa) the Corporate Records of the Corporation are complete and accurate in all material respects and all corporate proceedings and actions reflected therein have been conducted or taken in compliance with all applicable laws and with the constating documents of the Corporation, and without limiting the generality of the foregoing: (i) the minute books of the Corporation contain complete and accurate minutes of all meetings of the directors and shareholders of the Corporation; (ii) such minute books contain all written resolutions passed by the directors and shareholders of the Corporation; (iii) the securities register of the Corporation are complete and accurate; and (iv) the registers of directors and officers are complete and accurate and present directors and officers of the Corporation were duly elected or appointed;

(bb) all Books and Records of the Corporation up to the date of this Agreement have been fully, properly and accurately kept and, where required, completed in

accordance with IFRS, and there are no material inaccuracies or discrepancies of any kind contained or reflected therein;

(cc) the Corporation is not a 'reporting issuer' or equivalent in any jurisdiction nor are any shares of the Corporation listed or quoted on any stock exchange or electronic quotation system;

(dd) other than the Finder, the Corporation has not authorized any person to act as broker or finder or in any other similar capacity in connection with the Transactions contemplated by this Agreement, that in any manner may or will impose liability on the Acquiror or the Corporation;

(ee) to the knowledge of the Corporation, no representation or warranty of the Corporation contained in this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading;

(ff) the Corporation has security measures and safeguards in place to protect Personally Identifiable Information it collects from customers and other parties from illegal or unauthorized access or use by its personnel or third parties or access or use by its personnel or third parties in a manner that violates the privacy rights of third parties. The Corporation has complied in all material respects with all Applicable Laws relating to privacy and consumer protection and neither has collected, received, stored, disclosed, transferred, used, misused or permitted unauthorized access to any information protected by Applicable Laws related to privacy, whether collected directly or from third parties, in an unlawful manner;

(gg) Taxes.

(i) Except as disclosed in the Disclosure Letter – Corporation, since January 1, 2014, the Corporation has timely paid all material Taxes that are due and payable by the Corporation, including all instalments on account of Taxes for the current year that are due and payable by the Corporation whether or not assessed (or reassessed) by the appropriate Governmental Entity, and has, as applicable, timely remitted such Taxes to the appropriate Governmental Entity under Applicable Law. There are no Encumbrances for Taxes upon any of the assets or properties of the Corporation.

(ii) There is no material dispute or claim, including any audit, investigation or examination by any Governmental Entity, actual, pending or, to the knowledge of the Corporation, threatened, concerning any Tax liability of the Corporation, and no written notice of such an audit, investigation, examination, material dispute or claim has been received by the Corporation.

(iii) The Corporation has not requested, or entered into any agreement or other arrangement, or executed any waiver providing for, any extension of time within which:

(A) the Corporation is required to pay or remit any Taxes or amounts on account of Taxes (which have not since been paid or remitted); or

(B) any Governmental Entity may assess or collect Taxes for which the Corporation is liable.

(iv) Except as disclosed in the Disclosure Letter - Corporation, since January 1, 2014, the Corporation has duly and timely deducted, collected or withheld from any amount paid or credited by it to or for the account or benefit of any Person and has duly and timely remitted the same (or is properly holding for such remittance) to the appropriate Governmental Entity all Taxes and amounts it is required by Applicable Law to so deduct or collect and remit.

(v) Since January 1, 2014, the Corporation has not acquired property or services from, or disposed of property or provided services to, any Person with whom it does not deal at arm's length for an amount that is other than the fair market value of such property or services.

(vi) Since January 1, 2014, no written claim has been made by any Governmental Entity in a jurisdiction where the Corporation does not file returns that the Corporation is or may be subject to Taxes or is required to file returns in that jurisdiction.

(vii) There are no rulings or closing agreements issued to the Corporation which could affect the Corporation's liability for Taxes for any taxable period after the Closing Date other than rulings of general application.

(hh) Cannabis-related Matters.

(i) To the knowledge of the Corporation, there is no legislation, or proposed legislation published by a legislative body, which it anticipates will materially and adversely affect the business, affairs, operations, assets, liabilities (contingent or otherwise) or prospects of the Corporation, with the exception of any U.S. federal laws, statutes, and/or regulations which deal with the production, trafficking, distribution, processing, extraction, or sale of cannabis and related substances or related activities, including conduct which constitutes aiding and abetting or engaging in a conspiracy to violate those federal laws, or violates other federal laws applicable to money laundering.

(ii) The execution and delivery of this Agreement and the performance of the transactions contemplated hereby do not and will not result in a breach of,

and do not create a state of facts which, after notice or lapse of time or both, will result in a breach of Washington state law related to cannabis nor the licenses, permits, authorizations, certifications or consents issued to the Corporation by any Washington state or local Governmental Entity.

(ii) the Disclosure Letter - Corporation sets forth a complete list of all Business-Related IP, including:

(i) Owned IP that is either Registered IP or is material to the Corporation or its business, separately listed as follows:

(A) Registered IP, in each case with a description of the registration number, registration date, jurisdiction of registration, expiry date, and current status, and

(B) Owned IP other than Registered IP that is material to the Corporation or its business, in each case with a description of the Owned IP and how it is used in the business of the Corporation, and

(ii) In-Licensed IP, separate listed as follows:

(A) *In-Licenses*: In-Licensed IP that is neither COTS nor OSS, including a description thereof and how it is used in the business of the Corporation as well as a description of all material license agreements or arrangements relating to the Corporation's use thereof (the "**License Agreement**") including any ongoing royalties or fees arising from those License Agreements.

(jj) the Corporation:

(i) owns all of the right, title and interest in and to all of the Owned IP,

(ii) is licensed to use the In-Licensed IP without payment of any royalty or fee not set out in the Disclosure Letter, and

(iii) except as disclosed in the Disclosure Letter has not transferred, assigned, encumbered or granted any right title or interest in the Business-Related IP or its interests therein in any way;

(kk) except as set out in the Disclosure Letter, the Corporation has secured from all persons (including all current and former employees, directors, officers, shareholders, consultants and advisors) who have in any way contributed to the creation, development or modification of any of the Owned IP (i) a legally-binding assignment of all IP rights (other than moral rights) that Corporation does not already own by operation of law (copies of which have been made available to the Acquiror) and (ii) a waiver of inalienable moral rights or droits d'autuer (such as the right to pseudonymity, attribution, and integrity);

(ll) there is no IP that is material to the operation of the business of Corporation other than the Business-Related IP listed in the Disclosure Letter, except COTS licenses and OSS licenses;

(mm) Corporation has not commenced and does not intend to commence any claim or legal proceeding challenging the IP rights of any other person;

(nn) to the knowledge of Corporation, none of the operation, conduct and maintenance of the business of Corporation (including without limitation, the development, research, maintenance or provision of any Owned IP) as it is currently and has historically been operated, conducted and maintained, nor the use by Corporation of the Business-Related IP infringes, misuses or violates any IP rights of any third party, whether registered or unregistered;

(oo) all Registered IP is valid, subsisting, in full force and effect (except with respect to applications), and has not expired or been cancelled or abandoned, and, in connection therewith, all necessary registration, maintenance and renewal fees have been paid, and all necessary documents and certificates in connection with such Registered IP have been filed with the relevant patent, copyright, trademark or other equivalent authorities in the applicable jurisdictions, as the case may be, for the purposes of perfecting, prosecuting and maintaining such Registered IP;

(pp) the Registered IP has not been used or enforced, or to the knowledge of Corporation failed to be used or enforced, in a manner that would result in the abandonment, forfeiture, cancellation or loss of enforcement rights, or dedication to the public domain of such Registered IP that could, individually or in the aggregate, reasonably be expected to have a material adverse effect on Corporation;

(qq) there are no restrictions on the ability of Corporation to transfer all rights in the Owned IP or (subject to the License Agreements and OSS licenses disclosed in the Disclosure Letter) the In-Licensed IP, and, to the knowledge of Corporation, the consummation of the transactions contemplated by this Agreement will not impair, compromise, restrict or adversely affect the Business-Related IP or Corporation's ability to use it in the business of Corporation in accordance with the past practices of Corporation;

(rr) Corporation is not aware of any state of facts which casts doubt on the validity or enforceability of any of the Business-Related IP;

(ss) except in respect of COTS or as disclosed in a License Agreement or OSS license listed in the Disclosure Letter, there are no copyrights or trade secrets of any person that form part of, or are necessary to market, distribute, use, license or convey, Owned IP or that would constitute joint ownership by or with any other person;

(tt) none of the operation, conduct and maintenance of the business of the Corporation (including without limitation, the development, research,

maintenance or provision of any Owned IP) as it is currently and, to the knowledge of Corporation, has historically been operated, conducted and maintained, nor the use by Corporation of the Owned IP (A) misappropriates any IP rights of any third party, whether registered or unregistered, or (B) violates any obligation of confidentiality to any other person;

(uu) the Corporation has not received notice from any person of any claim or any intention to commence any legal proceeding with respect to infringement, adverse ownership, invalidity, lack of distinctiveness, misappropriation or misuse regarding any of the Business-Related IP or challenging any of the Business-Related IP or the right of Corporation to use the Business-Related IP;

(vv) all License Agreements are in good standing and in full force and effect, and no event, condition or occurrence exists that, after notice or lapse of time or both, would constitute a default by Corporation to the knowledge of Corporation (or, to the knowledge of Corporation, a default by any other party) under or breach of any of the License Agreements or OSS licenses for any In-Licensed IP;

3.2. The representations and warranties of the Corporation contained in this Agreement shall survive the execution and delivery of this Agreement and shall expire and be terminated on the earlier of the Time of Closing and the date on which this Agreement is terminated in accordance with its terms. Any investigation by the Acquiror and its Representatives shall not mitigate, diminish or affect the representations and warranties of the Corporation pursuant to this Agreement.

ARTICLE 4.
REPRESENTATIONS AND WARRANTIES OF THE SECURITYHOLDERS

4.1. Each of the Securityholders, on its own behalf and not on behalf of any other Securityholder, hereby severally (and, for greater certainty, not jointly with any other Securityholder) represents and warrants to the Acquiror as follows and acknowledges that the Acquiror is relying on such representations and warranties in connection with the transactions contemplated herein:

(a) this Agreement has been, and each additional agreement or instrument required to be delivered pursuant to this Agreement will be prior to the Time of Closing, duly authorized, executed and delivered by the Securityholder and each is, or will be at the Time of Closing, a legal, valid and binding obligation of the Securityholder, enforceable against the Securityholder in accordance with its terms;

(b) if the Securityholder is not an individual, the Securityholder is validly existing under the laws of its jurisdiction of organization and has the corporate or other power to enter into this Agreement and any other agreement to which it is, or is to become, a party to pursuant to the terms hereof and to perform its obligations hereunder and thereunder;

(c) the execution and delivery of this Agreement does not, and the consummation of the Transaction will not, (i) if the Securityholder is not an individual, result in a breach or violation of the articles or by-laws of the Securityholder (or other constating documents of the Securityholder) or of any resolutions of the directors, managers, members or shareholders of the Securityholder, or (ii) violate any provision of any applicable law or regulation or any judicial or administrative order, award, judgment or decree applicable to the Securityholder;

(d) with respect to Corporation Shareholders, the Corporation Shareholder is the registered and beneficial owner of that number of the Corporation Shares set forth opposite the Corporation Shareholder's name in Schedule "A" (such Corporation Shares comprising part of the Acquired Corporation Shares), free and clear of all liens, charges, mortgages, security interests, pledges, demands, claims and other encumbrances of any nature whatsoever;

(e) with respect to Debentureholders, the Debentureholder is the registered owner of that number of the Debenture set forth opposite the Debentureholder's name in Schedule "B" (and the Corporation Shares to be acquired pursuant to the automatic conversion of the Debentures comprising part of the Acquired Corporation Shares) free and clear of all liens, charges, mortgages, security interests, pledges, demands, claims and other encumbrances of any nature whatsoever;

(f) except for the Acquiror's rights hereunder, no person has any agreement or option or any right or privilege capable of becoming an agreement for the purchase of the Corporation Shares (namely the Acquired Corporation Shares) held or beneficially owned by the Corporation Shareholders or to be held or beneficialyl owned by the Debentureholders upon conversion of the Debentures, and none of such Corporation Shares are subject to any voting trust, shareholders agreement, voting agreement or other agreement with respect to the disposition or enjoyment of any rights of such Corporation Shares;

(g) no consent, approval, order or authorization of, or registration or declaration with, any applicable Governmental Entity with jurisdiction over the Securityholder is required to be obtained by the Securityholder in connection with the execution and delivery of this Agreement or the consummation by the Securityholder of the Transaction, except for those consents, orders, authorizations, declarations, registrations or approvals which are contemplated by this Agreement or those consents, orders, authorizations, declarations, registrations or approvals that, if not obtained, would not prevent or materially delay the consummation of the Transaction or otherwise prevent the Securityholder from performing its obligations under this Agreement;

(h) except for the Non-Resident Securityholders, the Securityholder is not a "non-resident" of Canada within the meaning of the Tax Act;

(i) unless the Securityholder is a U.S. Securityholder and has completed and delivered a U.S. Representation Letter for U.S. Securityholders in the form attached hereto as Schedule "D" (in which case the Securityholder makes the representations, warranties and covenants therein):

(i) the offer to purchase the Corporation Shares held by such Securityholder was not made to the Securityholder when either the Securityholder or any beneficial purchaser for whom it is acting, if applicable, was in the United States;

(ii) the Securityholder is not a resident of the United States, will not be in the United States when they acquire the Consideration Shares and is not acquiring the applicable Consideration Shares on behalf of, or for the account or benefit of, a Person in the United States;

(iii) at the time this Agreement was executed and delivered by the Securityholder, the Securityholder was outside the United States;

(iv) the Securityholder is not acquiring the Consideration Shares as a result of any directed selling efforts (as defined in Rule 902(c) of Regulation S);

(v) if the Securityholder is a corporation or entity, (A) a majority of the Securityholder's voting equity is beneficially owned by persons resident outside the United States; and (B) the Securityholder's affairs are wholly controlled and directed from outside of the United States;

(vi) the Securityholder or any beneficial purchaser for whom it is acting, if applicable, has no intention to distribute either directly or indirectly any of the Consideration Shares in the United States, except in compliance with the U.S. Securities Act; and

(vii) the current structure of this transaction and all transactions and activities contemplated in this Agreement is not a scheme to avoid the registration requirements of the U.S. Securities Act and any applicable state securities laws;

(j) Non-Resident Securityholders represent, warrant and/or acknowledge, as applicable, that:

(i) the Consideration Shares issuable hereunder have not been and will not be registered under the securities laws of any foreign jurisdiction and that the issuance of the Consideration Shares pursuant to the terms of this Agreement is being made in reliance on applicable exemptions; and

(ii) the receipt of the Consideration Shares by Non-Resident Securityholders does not contravene any of the applicable securities legislation in the jurisdiction in which it is resident and does not trigger: (i) any obligation to prepare and file a prospectus or similar document, or any other report

with respect to such transfer; and (ii) any registration or other obligation on the part of Acquiror;

(k) the Securityholder has not authorized any person to act as broker or finder or in any other similar capacity in connection with the transactions contemplated by this Agreement, that in any manner may or will impose liability on the Corporation or the Acquiror;

(l) the Securityholder has no present plan or intention to sell, exchange, transfer or otherwise dispose of any of the Consideration Shares received by such Securityholder in exchange for such Securityholder's Corporation Shares;

(m) No Consideration Shares received by such Securityholder will be received in exchange for services rendered or to be rendered to or for the benefit of the Acquiror;

(n) None of the Acquired Corporation Shares is "Section 306 stock" within the meaning of Section 306(c) of the Code;

(o) to the knowledge of the Securityholder, no representation or warranty of the Securityholder contained in this Agreement (including those representations and warranties made by the Securityholder in Schedule "D" if applicable) contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading.

ARTICLE 5.
REPRESENTATIONS AND WARRANTIES OF THE ACQUIROR

5.1. The Acquiror represents and warrants to and in favour of each of the Corporation Shareholders and the Corporation as follows and acknowledges that such parties are relying upon such representations and warranties in connection with the transactions contemplated herein:

(a) the Acquiror is a corporation validly existing and in good standing under the laws of the Province of British Columbia and is duly registered, licensed or qualified to carry on business as an extra-provincial or foreign corporation under the laws of the jurisdictions in which the nature of its business makes such registration, licensing or qualification necessary;

(b) the Acquiror is a "reporting issuer" in the provinces of British Columbia, Alberta and Ontario within the meaning of Securities Laws in such provinces and is in compliance with its timely and continuous disclosure obligations under the Securities Laws of such provinces and the policies of the CSE, and is not in default of any requirement of any applicable Securities Laws, except where such default would not have a Material Adverse Effect on the Acquiror;

(c) the Acquiror has the corporate power and capacity to enter into this Agreement and each additional agreement or instrument to be delivered pursuant to this

Agreement, to perform its obligations hereunder and thereunder, to own and lease its property, and to carry on its businesses as now being conducted;

(d) this Agreement has been, and each additional agreement or instrument to be delivered pursuant to this Agreement will be prior to the Time of Closing, duly authorized, executed and delivered by the Acquiror and each is, or will be at the Time of Closing, a legal, valid and binding obligation of the Acquiror, enforceable against the Acquiror in accordance with its terms;

(e) the Acquiror Pre Consolidation Shares are and the Acquiror Shares will be listed for trading (the "**Listing**") on the CSE and the Acquiror is not in default of any of the listing requirements of the CSE and neither the CSE nor any other regulatory authority having jurisdiction over the Acquiror has issued any order preventing or suspending trading of any of the securities of the Acquiror;

(f) as of the date of this Agreement, the Acquiror Pre Consolidation Shares are and the Acquiror Shares will be a class of securities not registered or required to be registered pursuant to Section 12 of the U.S. Exchange Act, and the Acquiror has no class of securities registered or required to be registered under the U.S. Exchange Act;

(g) the Acquiror is a "foreign private issuer" within the meaning of Rule 405 of Regulation C under the U.S. Securities Act;

(h) the Acquiror is not registered or required to be registered as an "investment company" within the meaning of the United States Investment Company Act of 1940, as amended;

(i) the execution and delivery of this Agreement does not, and the consummation of the Transaction will not as of the date of this Agreement or the Time of Closing, (i) result in a breach or violation of the articles (or other governing documents) of the Acquiror or of any resolutions of the directors or shareholders of the Acquiror, (ii) conflict with, result in a breach of, constitute a default under or accelerate the performance required by or result in the suspension, cancellation, material alteration or creation of an Encumbrance upon any material agreement (including any Acquiror Material Contract), licence or permit to which the Acquiror is a party or by which the Acquiror is bound or to which any material assets or property of the Acquiror is subject, or (iii) violate any provision of any applicable law or regulation or any judicial or administrative order, award, judgment or decree applicable to the Acquiror;

(j) the authorized capital of the Acquiror consists of an unlimited number of Acqurior Pre Consolidation Share and an unlimited number of Series A non-voting preferred shares ("**Series A Preferred Shares**"), Series B non-voting preferred shares ("**Series B Preferred Shares**"), and Series C voting preferred shares ("**Series C Preferred Shares**" and collectively with the Series A Preferred Shares and the Series B Preferred Shares, the "**Acquiror Preferred**

Shares") of which, as of the date hereof, 10,505,508 Acquiror Pre Consolidation Share, and 83,333 Series C Preferred Shares are issued and outstanding as fully paid and non-assessable, and no Series A Preferred Shares or Series B Preferred Shares are outstanding;

(k) the Acquiror 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 Acquiror Shares free and clear of all liens, charges and Encumbrances;

(l) the Acquiror Stock Option Plan has been validly adopted by the Acquiror's board of directors and the Acquiror Shareholders and has been approved by the CSE;

(m) there are currently no outstanding stock options or other equity awards granted under the Acquiror Stock Option Plan;

(n) other than as set out in Section 5.1(j) there are no other Acquiror Pre Consolidation Shares, Acquiror Shares or Acquiror Preferred Shares or other securities convertible, exercisable or exchangeable into Acquiror Pre Consolidation Share, Acquiror Shares or Acquiror Preferred Shares issued or outstanding as of the date hereof;

(o) each of the disclosure documents of the Acquiror filed on SEDAR, or to be filed by the Acquiror on or prior to the Time of Closing on SEDAR, as of the date filed (or the filing date of any amendments thereto) complied or will comply in all material respects with the requirements of applicable Securities Laws;

(p) except as disclosed in the Disclosure Letter – Acquiror, all disclosure documents of the Acquiror filed under the Securities Laws of the Provinces of British Columbia, Alberta and Ontario since the date of its incorporation, including but not limited to, financial statements, prospectuses, offering memorandums, information circulars, material change reports and shareholder communications are true, correct and complete in all material respects and contain no untrue statement of a material fact as at the date thereof nor do they omit to state a material fact which, at the date thereof, was required to have been stated or was necessary to prevent a statement that was made from being false or misleading in the circumstances in which it was made;

(q) there has not occurred any "material change" (as defined under applicable securities legislation of the Provinces of British Columbia, Alberta and Ontario) which has not been publicly disclosed on a non-confidential basis and the Acquiror has not filed any confidential material change reports since the date of such statements which remain confidential as at the date hereof;

(r) except for the right of the Finders to receive the Finder's Fee Shares, no person has any agreement, option, right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, including convertible securities,

options, warrants or convertible obligations of any nature, for the purchase, subscription, allotment or issuance of any unissued Acquiror Pre Consolidation Share, Acquiror Shares or other securities of the Acquiror;

(s) the Acquiror does not own, and has not at any time owned, and does not have any agreements of any nature to acquire, directly or indirectly, any shares in the capital of or other equity or proprietary interests in any person, and the Acquiror does not have any agreements to acquire or lease any material assets or properties or any other business operations;

(t) except as disclosed in the Disclosure Letter – Acquiror, the audited financial statements of the Acquiror for the years ended July 31, 2018 and 2017 (collectively, the "**Acquiror Financial Statements**"), copies of which have been filed publicly with the British Columbia, Alberta and Ontario Securities Commissions and are available on SEDAR, are true and correct in every material respect and present fairly and accurately the financial position and results of the operations of the Acquiror for the periods then ended and the Acquiror Financial Statements have been prepared in accordance with IFRS applied on a consistent basis. Since July 31, 2018, there has been no material alteration in the manner of keeping the books, accounts or records of the Acquiror or in its accounting policies or practices;

(u) to the knowledge of the Acquiror, no information has come to the attention of the Acquiror since the last date of the most recently issued Acquiror Financial Statements that would or would reasonably be expected to require any restatement or revisions of any such financial statements;

(v) the Acquiror's auditors who audited the Acquiror Financial Statements (as applicable) are independent public accountants and the Acquiror has never had any reportable disagreement with the present or any former auditor of the Acquiror;

(w) except as disclosed in the Acquiror Financial Statements, there are no related-party transactions or off-balance sheet structures or transactions with respect to the Acquiror;

(x) except as disclosed in the Acquiror Financial Statements and those incurred in connection with the Transaction contemplated by this Agreement, the Acquiror has no indebtedness, liabilities or obligations (secured or unsecured), and is not a party to, or bound by, any agreement of guarantee, indemnification, assumption or endorsement or any like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other Person;

(y) since July 31, 2018, there has been no material adverse change in the condition (financial or otherwise), assets, liabilities, operations, earnings or business of the Acquiror;

(z) since January 1, 2014 through the date hereof, neither the Acquiror nor to the Acquiror's knowledge any director, officer, employee, auditor, accountant or representative of the Acquiror has received any material complaint, allegation, assertion or claim, whether written or oral, regarding questionable accounting or auditing practices, procedures, methodologies or methods of the Acquiror or its internal accounting controls, including any material complaint, allegation, assertion or claim that Acquiror has engaged in questionable accounting or auditing practices and (B) no attorney representing the Acquiror, whether or not employed by the Acquiror has reported evidence of a material violation of Securities Laws, breach of fiduciary duty or similar violation by the Acquiror or any of its officers, directors, employees, or agents;

(aa) the Acquiror has conducted and is conducting its business in compliance in all material respects with all applicable laws, regulations, by-laws, ordinances, regulations, rules, judgments, decrees and orders of each jurisdiction in which its business is carried;

(bb) Taxes.

(i) Other than as disclosed in the Disclosure Letter – Acquiror, since January 1, 2014, the Acquiror has filed or caused or will cause to be filed all Tax Returns required to be filed by Applicable Law on or before the Closing Date. All Tax Returns filed since January 1, 2014 are correct and complete in all material respects. The Acquiror has timely paid all material Taxes that are due and payable by the Acquiror, including all instalments on account of Taxes for the current year that are due and payable by the Acquiror whether or not assessed (or reassessed) by the appropriate Governmental Entity, and has, as applicable, timely remitted such Taxes to the appropriate Governmental Entity under Applicable Law. There are no Encumbrances for Taxes upon any of the assets or properties of the Acquiror.

(ii) There is no material dispute or claim, including any audit, investigation or examination by any Governmental Entity, actual, pending or, to the knowledge of the Acquiror, threatened, concerning any Tax liability of the Acquiror and no written notice of such an audit, investigation, examination, material dispute or claim has been received by the Acquiror.

(iii) The Acquiror has not requested, or entered into any agreement or other arrangement, or executed any waiver providing for, any extension of time within which:

(A) to file any Tax Return (which has not since been filed) in respect of any Taxes for which the Acquiror is or may be liable;

(B) to file any elections, designations or similar filings relating to Taxes (which have not since been filed) for which the Acquiror is or may be liable;

(C) the Acquiror is required to pay or remit any Taxes or amounts on account of Taxes (which have not since been paid or remitted); or

(D) any Governmental Entity may assess or collect Taxes for which the Acquiror is liable.

(iv) Since January 1, 2014, the Acquiror has duly and timely deducted, collected or withheld from any amount paid or credited by it to or for the account or benefit of any Person and has duly and timely remitted the same (or is properly holding for such remittance) to the appropriate Governmental Entity all Taxes and amounts it is required by Applicable Law to so deduct or collect and remit.

(v) Since January 1, 2014, the Acquiror has not acquired property or services from, or disposed of property or provided services to, any Person with whom it does not deal at arm's length, within the meaning of the the Tax Act, for an amount that is other than the fair market value of such property or services.

(vi) Since January 1, 2014, for all transactions between the Acquiror and any Person who is not resident in Canada for purposes of the Tax Act with whom the Acquiror was not dealing at arm's length for purposes of the Tax Act, the Acquiror has made or obtained records or documents that meet the requirements of paragraphs 247(4)(a) to (c) of the Tax Act.

(vii) Since January 1, 2014, no claim has been made by any Governmental Entity in a jurisdiction where the Acquiror does not file Tax Returns that the Acquiror is or may be subject to Taxes or is required to file Tax Returns in that jurisdiction.

(viii) There are no rulings or closing agreements relating to the Acquiror which could affect the Acquiror's liability for Taxes for any taxable period after the Closing Date. The Acquiror has not requested an advance Tax ruling from the Canada Revenue Agency or comparable rulings from other taxing authorities.

(cc) the Contracts listed in Schedule "E" (the "**Acquiror Material Contracts**") together with this Agreement and the Amalgamation Agreement, and after the execution and delivery hereof, all ancillary agreements contemplated herein or therein, constitute all the Material Contracts of the Acquiror. Each of the Acquiror Material Contracts is 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 acquisition of the Acquired Corporation Shares hereunder and the other transactions contemplated hereunder

and under the Amalgamation Agreement, including, without limitation, the issuance of the Consideration Shares to the Securityholders, the Amalgamation and the issuance of the Acquiror Shares pursuant to the terms of the Amalgamation Agreement) 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. The Acquiror has not violated or breached, in any material respect, any of the terms or conditions of any Acquiror Material Contract and all the covenants to be performed by any other party thereto have been fully and properly performed;

(dd) there are no waivers, consents, notices or approvals required to be given or obtained by the Acquiror in connection with Transaction and the other transactions contemplated by this Agreement under any Contract to which the Acquiror is a party;

(ee) no consent, approval, order or authorization of, or registration or declaration with, any applicable Governmental Entity with jurisdiction over the Acquiror is required to be obtained by the Acquiror in connection with the execution and delivery of this Agreement or the consummation of the Transaction, including, without limitation, the Amalgamation or the issuance of the Consideration Shares to the Securityholders, except for those consents, orders, authorizations, declarations, registrations or approvals which are contemplated by this Agreement or those consents, orders, authorizations, declarations, registrations or approvals that, if not obtained, would not prevent or materially delay the consummation of the Transaction or otherwise prevent or materially delay the Acquiror from performing its obligations under this Agreement and could not reasonably be expected to have a Material Adverse Effect on the Acquiror;

(ff) there is no suit, action or proceeding or, to the knowledge of the Acquiror, pending or threatened against the Acquiror that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect on the Acquiror, and there is no judgment, decree, injunction, rule or order of any Governmental Entity outstanding against the Acquiror causing, or which could reasonably be expected to cause, a Material Adverse Effect on the Acquiror;

(gg) no bankruptcy, insolvency or receivership proceedings have been instituted by the Acquiror or, to the knowledge of the Acquiror, are pending against the Acquiror;

(hh) the Acquiror has good and marketable title to its properties and assets (other than property or an asset as to which the Acquiror is a lessee, in which case it has a valid leasehold interest), except for such defects in title that individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect on the Acquiror;

(ii) no person has any written or oral agreement, option, understanding or commitment for the purchase from the Acquiror of any of its assets or property;

(jj) the Acquiror has all permits, licenses, certificates of authority, orders and approvals of, and has made all filings, applications and registrations with, applicable Governmental Entities that are required in order to permit it to carry on its business as presently conducted, except for such permits, licenses, certificates, orders, filings, applications and registrations, the failure to have or make, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect on the Acquiror, and all such all permits, licenses, certificates of authority, orders and approvals are in good standing in all material respects;

(kk) the Acquiror is classified as a corporation for United States federal income tax purposes. Prior to Closing, the Acquiror is not a "controlled foreign corporation" within the meaning of Section 957 of the Code. Prior to Closing, the Acquiror is not (i) a "surrogate foreign corporation" within the meaning of Section 7874(a)(2)(B) of the Code or (ii) treated as a "domestic corporation" under Section 7874(b) of the Code;

(ll) the Acquiror acknowledges that, prior to Closing, it may be classified as a "passive foreign investment company" ("**PFIC**") within the meaning of Section 1297 of the Code;

(mm) the Acquiror has no employees and the Acquiror is not a party to any employment, management or consulting agreement of any kind whatsoever;

(nn) no current or former employee, officer or director of the Acquiror is entitled to a severance, termination or other similar payment as a result of the Transaction;

(oo) except as disclosed in the Disclosure Letter - Acquiror, the Corporate Records of the Acquiror are complete and accurate in all material respects and all corporate proceedings and actions reflected therein have been conducted or taken in compliance with all applicable laws and with the constating documents of the Acquiror, and without limiting the generality of the foregoing: (i) the minute books contain complete and accurate minutes of all meetings of the directors (and any committee thereof) and shareholders of the Acquiror; (ii) such minute books contain all written resolutions passed by the directors (and any committee thereof) and shareholders of the Acquiror; (iii) the share certificate books, if any, the central securities register and register of transfers, and branch registers, of the Acquiror are complete and accurate, and all transfers of shares of the Acquiror reflected therein have been duly completed and approved; and (iv) the registers of directors and officers are complete and accurate and all former and present directors and officers of the Acquiror were duly elected or appointed as the case may be;

(pp) except as disclosed in the Disclosure Letter – Acquiror, all Books and Records of the Acquiror have been fully, properly and accurately kept and, where required, completed in accordance with IFRS, and there are no material inaccuracies or discrepancies of any kind contained or reflected therein;

(qq) other as set out in the Disclosure Letter - Acquiror, the Acquiror does not own or lease any Mineral Properties or have any ownership interest in, or rights to, any mining claims or Mineral Properties;

(rr) to the best of the Acquiror's knowledge, the Acquiror and all of its subsidiaries (a) are in compliance with the terms and conditions of all Permits relating to any Mineral Properties and with all federal, state, provincial or local laws relating to: (i) the protection or restoration of the environment, health, safety or natural resources; (ii) the handling, use, presence, disposal, release or threatened release of, or exposure to, any hazardous substance; (iii) all environmental licenses, permits, authorizations and other rights issued or required to own and operate mineral properties presently owned, leased, licensed, held under option or which the Acquiror or any of its subsidiaries has an interest in (including through any joint venture) or were previously owned leased, licensed, held under option or which or any of its subsidiaries had an interest in (the "**Mineral Properties**"), including the legal entity(ies) that have an interest in such property and (iv) noise, odor, wetlands, indoor air, pollution, contamination or any injury or threat of injury to persons or property involving any hazardous substance ("**Environmental Laws**"); (b) no activity on the Mineral Properties has been in violation of any applicable Environmental Laws; (c) the conditions on and relating to the Mineral Properties are in compliance with Environmental Laws; (c) there are no proceedings, claims, actions, or investigations of any kind, pending or threatened in writing, by any person, court, agency, or other Governmental Entity or any arbitral body, against the Acquiror or its subsidiaries or related to their respective owned real property or its leased properties, including but not limited to the Mineral Properties pursuant to any Environmental Law and there is no reasonable basis for any such proceeding, claim, action or investigation; (d) there are no agreements, orders, judgments, indemnities or decrees by or with any person, court, regulatory agency or other Governmental Entity, that could impose any liabilities or obligations under or in respect of any Environmental Law; (e) there are, and have been, no hazardous substances or other environmental conditions at any Mineral Property under circumstances which could reasonably be expected to result in liability to or claims against the Acquiror or any of its subsidiaries relating to any Environmental Law; and (f) there are no reasonably anticipated future events, conditions, circumstances, practices, plans, or legal requirements that could give rise to obligations or liabilities under any Environmental Law. For purposes of this Section and the definition of Release, "hazardous substance" shall mean (a) any substance, material or waste that is characterized or regulated under any Environmental Law as "hazardous," "pollutant," "contaminant," "toxic" or words of similar meaning or effect, and (b) petroleum and petroleum products, polychlorinated biphenyls and asbestos;

(ss) the Locked-up Shareholders hold more than 35% of the outstanding Acquiror Pre Consolidation Shares as of the date hereof.

(tt) other than the Finders, the Acquiror has not authorized any person to act as broker or finder or in any other similar capacity in connection with the transactions contemplated by this Agreement that in any manner may or will impose liability on the Corporation or the Corporation Shareholders;

(uu) neither Acquiror nor any "related person" (as defined in Treasury Regulations promulgated under Section 368 of the Code) has any plan or intention to redeem or otherwise acquire any Consideration Shares to be issued in the Transaction;

(vv) Acquiror has no present plan or intention to cause the Corporation to cease its separate legal existence for U.S. federal income tax purposes; to cause the Corporation to sell or otherwise dispose of any of its assets, except for dispositions made in the ordinary course of business or transfers allowed under Section 368(a)(2)(C) of the Code and the Treasury Regulations thereunder; or to sell or otherwise dispose of any of the Corporation Shares acquired in connection with the transactions contemplated by this Agreement;

(ww) taking into account any issuance of additional Acquiror Shares (including any issuance of Acquiror Shares for services, the exercise of any Acquiror stock rights, warrants or subscriptions, and any public offering of Acquiror Shares), upon Closing the Securityholders will own stock possessing at least eighty percent (80%) of the total combined voting power of all classes of stock of Acquiror entitled to vote and at least eighty percent (80%) of the total number of shares of all other classes of stock of Acquiror; Acquiror does not own, directly or indirectly, nor has it owned during the past two (2) years, any stock of the Corporation;

(xx) Acquiror will acquire the Corporation Shares solely in exchange for Acquiror Shares. For purposes of this representation, Corporation Shares redeemed for cash or other property furnished by Acquiror (or any related person, as defined in Treasury Regulations promulgated under Section 368 of the Code) will be considered as acquired by Acquiror. No liabilities of the Corporation or the Corporation Shareholders will be assumed by Acquiror or any related person, as defined in Treasury Regulations promulgated under Section 368 of the Code;

(yy) no representation or warranty of the Acquiror contained in this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading.

5.2. The representations and warranties of the Acquiror contained in this Agreement shall not survive the completion of the Transaction and shall expire and be terminated on the earlier of the Time of Closing and the date on which this Agreement is terminated in accordance with its terms. Any investigation by the Corporation Shareholders and their Representatives shall not mitigate, diminish or affect the representations and warranties of the Acquiror pursuant to this Agreement.

ARTICLE 6.
REPRESENTATIONS AND WARRANTIES OF FINCO

6.1. Finco represents and warrants to the Acquiror and Zara Subco as follows, and acknowledges that the Acquiror is relying on such representations and warranties in connection with the transactions contemplated herein:

(a) Finco is a corporation validly existing and in good standing under the laws of the Province of British Columbia, Canada and is duly registered, licensed or qualified to carry on business under the laws of the jurisdictions in which the nature of its business makes such registration, licensing or qualification necessary;

(b) other than obtaining shareholder approval of the Amalgamation, Finco has the corporate power and capacity to enter into this Agreement, the Amalgamation Agreement and each additional agreement or instrument to be delivered pursuant to this Agreement, to perform its obligations hereunder, and thereunder to own and lease it property, and to carry on its businesses as now being conducted;

(c) this Agreement has been, and each additional agreement or instrument to be delivered pursuant to this Agreement, including the Amalgamation Agreement, will be prior to the Time of Closing, duly authorized, executed and delivered by Finco and assuming the due authorization, execution and delivery by the Acquiror and the other Parties, each is, or will be at the Time of Closing, a legal, valid and binding obligation of Finco, enforceable against Finco in accordance with its terms;

(d) the execution and delivery of this Agreement and the Amalgamation Agreement does not and will not, and the consummation of the Transaction will not, (i) result in a breach or violation of the articles or by-laws (or other governing documents) of Finco or of any resolutions of the directors or shareholders of Finco, (ii) conflict with, result in a breach of, constitute a default under or accelerate the performance required by or result in the suspension, cancellation, material alteration or creation of an encumbrance upon any material agreement, license or permit to which Finco is a party or by which Finco is bound or to which any material assets or property of Finco is subject, or (iii) violate any provision of any applicable law or regulation or any judicial or administrative order, award, judgment or decree applicable to Finco; and

(e) no consent, approval, order or authorization of, or registration or declaration with, any applicable Governmental Entity with jurisdiction over Finco is required to be obtained by Finco in connection with the execution and delivery of this Agreement, except for those consents, orders, authorizations, declarations, registrations or approvals which are contemplated by this Agreement or those consents, orders, authorizations, declarations, registrations or approvals that, if not obtained, would not prevent or materially delay the consummation of the Transaction or otherwise prevent or materially delay Finco from performing its

obligations under this Agreement and could not reasonably be expected to have a Material Adverse Effect on Finco.

ARTICLE 7.
REPRESENTATIONS AND WARRANTIES OF ZARA SUBCO

7.1. Zara Subco represents and warrants to the Corporation and Finco as follows, and acknowledges that the Corporation and Finco is relying on such representations and warranties in connection with the transactions contemplated herein:

(a) Zara Subco is a corporation validly existing and in good standing under the laws of the Province of British Columbia, Canada and is duly registered, licensed or qualified to carry on business under the laws of the jurisdictions in which the nature of its business makes such registration, licensing or qualification necessary;

(b) other than obtaining shareholder approval of the Amalgamation, Zara Subco has the corporate power and capacity to enter into this Agreement, the Amalgamation Agreement and each additional agreement or instrument to be delivered pursuant to this Agreement, to perform its obligations hereunder and thereunder to own and lease it property, and to carry on its businesses as now being conducted;

(c) this Agreement has been, and each additional agreement or instrument to be delivered pursuant to this Agreement, including the Amalgamation Agreement, will be prior to the Time of Closing, duly authorized, executed and delivered by Zara Subco and assuming the due authorization, execution and delivery by Finco and the other Parties, each is, or will be at the Time of Closing, a legal, valid and binding obligation of Zara Subco, enforceable against Zara Subco in accordance with its terms;

(d) the execution and delivery of this Agreement and the Amalgamation Agreement does not and will not, and the consummation of the Transaction will not, (i) result in a breach or violation of the articles or by-laws (or other governing documents) of Zara Subco or of any resolutions of the directors or shareholders of Zara Subco, (ii) conflict with, result in a breach of, constitute a default under or accelerate the performance required by or result in the suspension, cancellation, material alteration or creation of an encumbrance upon any material agreement, license or permit to which Zara Subco is a party or by which Zara Subco is bound or to which any material assets or property of Zara Subco is subject, or (iii) violate any provision of any applicable law or regulation or any judicial or administrative order, award, judgment or decree applicable to Zara Subco;

(e) no consent, approval, order or authorization of, or registration or declaration with, any applicable Governmental Entity with jurisdiction over Zara Subco is required to be obtained by Zara Subco in connection with the execution and

delivery of this Agreement, except for those consents, orders, authorizations, declarations, registrations or approvals which are contemplated by this Agreement or those consents, orders, authorizations, declarations, registrations or approvals that, if not obtained, would not prevent or materially delay the consummation of the Transaction or otherwise prevent or materially delay Zara Subco from performing its obligations under this Agreement and could not reasonably be expected to have a Material Adverse Effect on Zara Subco;

(f) all of the outstanding shares in the capital of Zara Subco are owned of record and beneficially by the Acquiror free and clear of all liens; and

(g) Zara Subco has no assets or liabilities and has not had any operations since inception.

ARTICLE 8.
STOCK EXCHANGE LISTING, SHAREHOLDER APPROVALS, TRANSACTION MATTERS AND EXCHANGE ESCROW

8.1. Listing Statement and Information Circular

(a) Promptly after the execution of this Agreement, the Acquiror and Corporation shall jointly prepare and complete the Listing Statement together with any other documents required by the BCBCA, applicable Securities Laws and other Applicable Laws and the rules and policies of the CSE in connection with the Transaction (including the Information Circular, if required), and Acquiror shall, as promptly as reasonably practicable after obtaining the approval of the CSE as to the final Listing Statement file such final Listing Statement on SEDAR.

(b) The Acquiror represents and warrants that the Listing Statement and Information Circular, if required, will comply in all material respects with all Applicable Laws (including applicable Securities Law), and, without limiting the generality of the foregoing, that the Listing Statement and Information Circular, if required, shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made (provided that the Acquiror shall not be responsible for the accuracy of any information relating to Corporation that is furnished in writing by Corporation for inclusion in the Listing Statement or Information Circular).

(c) The Corporation represents and warrants that any information or disclosure relating to Corporation that is furnished in writing by Corporation for inclusion in the Listing Statement and Information Circular, if required, will comply in all material respects with all Applicable Laws (including applicable securities law), and, without limiting the generality of the foregoing, that the Listing Statement and Information Circular, if required, shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the

circumstances in which they are made (provided that Corporation shall not be responsible for the accuracy of any information relating to the Acquiror that is furnished in writing by the Acquiror for inclusion in the Listing Statement or Information Circular).

(d) The Corporation, the Acquiror and their respective legal counsel shall be given a reasonable opportunity to review and comment on drafts of the Listing Statement, Information Circular (if required) and other documents related thereto, and reasonable consideration shall be given to any comments made by Corporation, the Acquiror and their respective counsel, provided that all information relating solely to the Acquiror shall be in form and content satisfactory to the Acquiror, acting reasonably, and all information relating solely to Corporation shall be in form and content satisfactory to Corporation, acting reasonably.

(e) The Acquiror and Corporation shall promptly notify each other if at any time before the date of filing in respect of the Listing Statement or Information Circular, respectively, either party becomes aware that the Listing Statement or Information Circular, respectively, contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made, or that otherwise requires an amendment or supplement to the Listing Statement or Information Circular, as applicable, and the parties shall cooperate in the preparation of any amendment or supplement to such documents, as the case may be, as required or appropriate.

8.2. Preparation of Financial Statements

The Corporation shall be responsible for preparing, as required in connection with the Transaction, the audited and interim financial statements of the Corporation, and the pro forma financial statements reflecting the combination of the Acquiror and the Corporation (including Finco), in each case in the form required by the CSE and the relevant securities regulatory authorities.

8.3. Acquiror Shareholder Approval

If required by a Governmental Entity or Applicable Law, on or before the fifth (5th) Business Day prior to March 26, 2019, or such other date as the Parties agree, the Acquiror shall convene a special meeting of the Acquiror Shareholders in order to obtain the Acquiror Shareholder Approval.

The Acquiror's board of directors shall pass a unanimous resolution to recommend that the Transaction is fair to the Acquiror's Shareholders, is in the best interests of the Acquiror and that Acquiror Shareholders at the Acquiror Shareholder Meeting vote in favour of the matters subject to Acquiror Shareholder Approval (the "**Recommendation**").

8.4. Exchange Escrow

Each Securityholder shall comply with and be bound by, if applicable, all escrow requirements imposed by the CSE on which the Acquiror Shares are listed or proposed to be listed and under applicable Securities Laws.

8.5. Finders' Fee Shares

The Parties acknowledge and agree that the Acquiror and the Finders have agreed that the transaction fee payable under the Finders' Fee Agreement will be paid to the Finder as a finder's fee, by issuance of the Finder's Fee Shares. At the Time of Closing the Acquiror shall issue from treasury to the Finders the Finders' Fee Shares, as payment of a finder's fee, which for greater certainty shall be post-Consolidation Acquiror Shares.

ARTICLE 9.
CHANGE IN DIRECTORS AND OFFICERS OF THE ACQUIROR AND CHANGE IN NAME OF THE ACQUIROR

9.1. New Directors

Effective at the Closing, unless previously approved by resolutions of the Acquiror Shareholders at the Acquiror Shareholder Meeting (and such resolutions have not been rescinded as at the Closing), the Acquiror shall cause the Board to be restructured, through resignations and appointments, so that it shall consist of seven (7) directors (all of whom shall be nominees of Corporation) forming the initial Board immediately following Closing. If any of the proposed directors are not acceptable to the CSE or are otherwise unable to act as directors of the Resulting Issuer following Closing, the Parties shall have the sole right to nominate other nominees to the Board following Closing.

9.2. New Officers

Effective at the Closing, the officers of the Acquiror following the Transaction will be determined by the reconstituted Board per Section 9.1, and the Acquiror and Corporation agree to take such commercially reasonable action as permitted under Applicable Laws such that the senior officers of the Resulting Issuer after Closing are constituted of the following individuals:

(a) John Gorst, as Chief Executive Officer; and

(b) Scott Manson, as Chief Financial Officer.

9.3. PIFs

Corporation shall deliver to the Acquiror (for further delivery by the Acquiror to the CSE) a CSE Form 2A - Personal Information/Consent Form duly completed by each of the proposed directors and officers and identified in Sections 9.1 and 9.2 above, on or before the Closing Date

9.4. Resignations

At Closing, the Acquiror shall deliver resignations of all directors and officers of the Acquiror, such resignations to include waivers in respect of any liabilities of the Acquiror to them in a form acceptable to Corporation, acting reasonably.

9.5. Name Change

Concurrent with the Closing, the Acquiror shall change its name to "Ionic Brands Corp." or another name selected by Corporation, in its sole discretion; in either case provided such name is acceptable to the British Columbia Registrar of Companies.

ARTICLE 10.
CONDITIONS OF CLOSING

10.1. Mutual Conditions of Closing

The obligations to complete the Transaction are subject to the fulfillment of the following conditions on or before the Time of Closing:

(a) the Amalgamation Agreement shall have been duly executed and deliverable by each of the parties thereto, and all of the conditions precedent to the completion of the Amalgamation as outlined in the Amalgamation Agreement shall have been met other than those conditions precedent which are part of the transactions outlined in Article 2 of this Agreement and the filing of the articles of amalgamation or other applicable documentation as may be required pursuant to corporate law;

(b) the Amalgamation shall be completed concurrently with the transactions contemplated in Sections 2.1 and 2.3;

(c) the Consolidation shall have been completed and if necessary, approved by the Acquiror Shareholders;

(d) there shall be no action taken under any applicable law by any court or Governmental Entity that makes it illegal or restrains, enjoins or prohibits the Transaction, results in a judgment or assessment of damages relating to the Transaction that is materially adverse to the Acquiror or the Corporation or that could reasonably be expected to impose any condition or restriction upon the Acquiror or the Corporation which, after giving effect to the Transaction, would so materially and adversely impact the economic or business benefits of the Transaction as to render inadvisable the consummation of the Transaction;

(e) there shall be no legislation (whether by statute, regulation, order-in-council, notice of ways and means motion, by-law or otherwise) enacted, introduced or tabled which, in the opinion of the Acquiror or Corporation, each acting reasonably, adversely affects or may adversely affect the Transaction; and

(f) the Closing Date shall be on or before the Termination Date.

The foregoing conditions precedent are for the benefit of all Parties and may be waived by the Corporation (on its own behalf and on behalf of the Securityholders and Finco) and the Acquiror (on its own behalf and on behalf of Zara Subco), in whole or in part, without prejudice to any Parties right to rely on any other condition in favour of any Party.

10.2. Conditions of Closing in Favour of the Acquiror and Zara Subco

The obligations of the Acquiror and Zara Subco to complete the Transaction are subject to the fulfillment of the following conditions on or before the Time of Closing:

(a) the Securityholders and the Corporation shall have tendered all closing deliveries set forth in Sections 11.3 and 11.4, respectively, including delivery of the Acquired Corporation Shares, duly endorsed in blank for transfer or accompanied by duly executed stock transfer powers or other evidence of authorizing transfer of the Acquired Corporation Shares to the Acquiror acceptable to the Acquiror, acting reasonably;

(b) receipt of evidence of the Acquiror Shareholder Approval, if required;

(c) on or before the Time of Closing, the Corporation shall have obtained the executed Corporation Securityholder Consent Agreements from each Debentureholder and from all other Persons who hold Corporation Shares immediately prior to the Time of Closing who have not previously executed this Agreement;

(d) neither the Corporation nor any of the Corporation Shareholders shall have violated Section 18.1;

(e) the representations and warranties of the Corporation and Finco set forth in this Agreement shall have been true and correct as of the date hereof and shall be true and correct at the Time of Closing in all respects (in the case of any representation or warranty containing any materiality or Material Adverse Effect qualifier) or in all material respects (in the case of any representation or warranty without any materiality or Material Adverse Effect qualifier), except as affected by the transactions contemplated by this Agreement, and a certificate of a senior officer of the Corporation and Finco to this effect shall have been delivered to the Acquiror;

(f) all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Corporation and Finco at or before the Time of Closing will have been complied with or performed and a certificate of a senior officer of the Corporation and Finco to this effect shall have been delivered to the Acquiror;

(g) the representations and warranties of the Securityholders set forth in this Agreement shall have been true and correct in all material respects as of the date hereof and shall be true and correct in all material respects as of the Time of Closing and delivery by each Securityholder of the documents described in Section 11.4 required to be delivered by such Securityholder shall constitute a

reaffirmation and confirmation by such Securityholder of such representations and warranties;

(h) all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Securityholders at or before the Time of Closing will have been complied with or performed and delivery of the documents described in Section 11.4 shall constitute confirmation of such compliance and performance;

(i) all consents, assignments, waivers, permits, orders and approvals of all Governmental Entities or other persons, including all those party to the Corporation Material Contracts necessary to permit the completion of the Transaction shall have been obtained; and

(j) there shall not have been after the date of this Agreement any Material Adverse Effect with respect to the Corporation.

The foregoing conditions precedent are for the benefit of the Acquiror and may be waived by the Acquiror, in whole or in part, without prejudice to the Acquiror's right to rely on any other condition in favour of the Acquiror.

10.3. Conditions of Closing in Favour of the Corporation and the Securityholders

The obligations of the Corporation and the Securityholders to complete the Transaction are subject to the fulfillment of the following conditions on or before the Time of Closing:

(a) the board of directors of both the Acquiror and Zara Subco has approved the Transaction, this Agreement, and the board of directors of the Acquiror has approved the issuance of the Consideration Shares in accordance with the terms of this Agreement and all other Acquiror Shares, including but not limited to the Acquiror Shares to be issued in connection with the Amalgamation, to be issued as part of the Transaction, and the Acquiror shall have furnished to the Corporation certified copies of the resolutions duly passed by the board of directors of the Acquiror approving the Transaction, this Agreement, the issuance of the Consideration Shares in accordance with the terms of this Agreement, the Finder's Fee Shares, the Acquiror Shares to be issued pursuant to the exercise of the Broker Warrants, the Finder's Warrants and Performance Warrants assumed by the Acquiror at Closing, and all other Acquiror Shares to be issued in connection with the Transaction, including but not limited to, the Amalgamation;

(b) the Acquiror's board of directors shall not have withdrawn or modified the Recommendation;

(c) the Acquiror has received the Acquiror Shareholder Approval;

(d) Acquiror shall have completed the Consolidation and at the Time of Closing, prior to the issuance of the Consideration Shares pursuant to the terms of this

Agreement, the Acquiror shall have 332,000 Acquiror Shares issued and outstanding;

(e) the Acquiror and Zara Subco shall have tendered all closing deliveries set forth in Section 11.2 including delivery of the Consideration Shares, the Acquiror Shares to be issued in connection with the Amalgamation, Finder's Fee Shares, the Supplemental Broker Warrant Certificate, the Supplemental Performance Warrant Certificates, the Supplemental Finder's Warrant Certificate, and evidence of the Acquiror Shareholder Approval;

(f) all consents, waivers, permits, orders and approvals of all Governmental Entities (including the CSE) or other persons, including, if applicable, all those party to the Material Contracts listed in Schedule "E" necessary to permit the completion of the Transaction shall have been obtained;

(g) the Acquiror or Zara Subco shall not have violated Section 18.2;

(h) the representations and warranties of both the Acquiror and Zara Subco set forth in this Agreement shall have been true and correct as of the date hereof and shall be true and correct at the Time of Closing in all respects (in the case of any representation or warranty containing any materiality or Material Adverse Effect qualifier) or in all material respects (in the case of any representation or warranty without any materiality or Material Adverse Effect qualifier), except as affected by the transactions contemplated by this Agreement, and a certificate of a senior officer of the Acquiror to this effect shall have been delivered to the Securityholders and the Corporation;

(i) all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Acquiror or Zara Subco at or before the Time of Closing will have been complied with or performed and a certificate of a senior officer of the Acquiror to this effect shall have been delivered to the Securityholders and the Corporation;

(j) there shall not have been after the date of this Agreement any Material Adverse Effect with respect to the Acquiror and Zara Subco;

(k) other than the Finders' Fee Shares, the Acquiror Shares and the Agent's Warrants (as defined in the Amalgamation Agreement) to be issued in connection with the Amalgamation, the Acquiror shall not have issued any additional securities nor entered into any agreement or understanding with any other parties to issue any securities, without the prior written consent of the Corporation (such consent not to be unreasonably withheld);

(l) as of the Time of Closing, the Acquiror will meet the minimum listing requirements, as outlined in Policy 2 Qualifications for Listing of the CSE;

(m) the CSE shall have approved the Transaction;

(n) all Acquior Shares to be issued in connection with the Transaction, including but not limited to, the Consideration Shares, the Finders' Fee Shares, the Acquiror Shares to be issued pursuant to the exercise of the Broker Warrants, the Finder's Warrants, the Performance Warrants and any other warrants assumed by the Acquiror as part of the Transaction, and the Acquiror Shares to be issued as part of the Amalgamation, will have been approved for issuance by the directors of the Acquiror and conditionally approved for listing by the CSE, subject to the usual requirements of the CSE in respect of transactions of the nature of the Transaction as contemplated herein;

(o) each of the directors and officers of the Acquiror shall have resigned, conditional on Closing;

(p) each of the directors, officers and nominees of the Corporation shall have been appointed to their respective positions with the Resulting Issuer, conditional on Closing;

(q) other than as disclosed in the Acquiror Financial Statements, the Acquiror shall have no material payables other than as reasonably incurred in connection with the Transaction and there shall not have been any material adverse change in the Acquiror's financial situation at the Time of Closing from the information contained in the Acquiror Financial Statements;

(r) the change of the Acquiror's name as outlined in Section 9.5 shall have been approved by the CSE and the registrar of companies for British Columbia;

(s) all of the Acquiror Preferred Shares, including the Series C Preferred Shares have either been redeemed or converted, and no Acquiror Preferred Shares remain outstanding at the Time of Closing;

(t) the Acquiror's ownership interest in the assets set out in Section 5.1(qq) of the Disclosure Letter - Acquiror shall have been sold, transferred or otherwise disposed of and Acquiror shall have no further ownership or economic interest in such assets or to any other mining claim on any Mineral Property;

(u) the Acquiror is not at the time of Closing, and will not be as a result of the Transaction an "investment company" within the meaning of Section 351(e) of the Code;

(v) the Acquiror shall have no plan or intention to discontinue the historic business of the Corporation or to fail to use a significant portion of the Corporation's historic business assets in a business within the meaning of Treasury Regulations promulgated under Section 368 of the Code;

(w) the fair market value of the Acquiror Shares (as determined in accordance with the relevant provisions of the Code) received by each Securityholder will be approximately equal to the fair market value of the Corporation Shares transferred to Acquiror in the Transaction;

(x) on the Closing Date, Acquiror together with its affiliates and subsidiaries will not have "substantial business activities" in Canada within the meaning of Treasury Regulations Section 1.7874-3;

(y) Immediately after the Closing, the "ownership fraction" (within the meaning of Treasury Regulations 1.7874-12(a)) with respect to the Acquiror, determined in accordance with Section 7874 of the Code and the Treasury Regulations thereunder, will be 80% or greater (by vote or value);

(z) the Acquiror shall have executed and delivered to the Corporation all the Corporation Securityholder Consent Agreements referred to in Section 10.2 signed by the Acquiror; and

(aa) the Acquiror will have provided evidence satisfactory to the Corporation and the Corporation Shareholders that all Tax Returns have been filed since January 1, 2014 and no amounts or penalties remain outstanding with respect to the same, including any accrued interest thereon.

The foregoing conditions precedent are for the benefit of the Corporation and the Corporation Shareholders and may be waived by the Corporation (on its own behalf and on behalf of the Corporation Shareholders) and the Corporation Shareholders, in whole or in part, without prejudice to the Corporation's and the Corporation Shareholders' right to rely on any other condition in favour of the Corporation and the Corporation Shareholders.

10.4. Notice and Cure Provisions

(a) Each party will give prompt notice to the other parties hereto of the occurrence, or failure to occur, at any time from the date hereof until the Closing Date, of any event or state of facts which occurrence or failure would or would be likely to:

(i) cause any of the representations or warranties of such party contained herein to be untrue or inaccurate on the date hereof or at the Closing Date; or

(ii) result in the failure by such party to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by such party hereunder prior to the Closing Date.

(b) Subject to Article 16, no party may elect not to complete the Transaction as contemplated herein as a result of the non-fulfillment of the conditions precedent contained in Sections 10.1, 10.2 or 10.3, as applicable, unless the party intending to rely thereon has delivered a written notice to the other parties hereto prior to the Time of Closing specifying, in reasonable detail, all breaches of representations and warranties or covenants or other matters which the party delivering such notice is asserting as the basis for the non-fulfillment of the applicable condition precedent:

ARTICLE 11.
CLOSING AND POST CLOSING ARRANGEMENTS

11.1. Time and Place of Closing

The Transaction shall be closed (the "**Closing**"), at the offices of the Acquiror's Canadian counsel, McMillan LLP, at 10:00 a.m. local time in Vancouver, British Columbia, or such other time as the parties may mutually determine, (the "**Time of Closing**") on the day that all conditions contained in this Agreement have been met or waived (the "**Closing Date**").

11.2. Closing Deliveries of the Acquiror and Zara Subco

At the Time of Closing, the Acquiror will deliver or cause to be delivered:

(a) share certificates or other evidence evidencing the Consideration Shares registered as directed by the Securityholders (or by the Corporation on behalf of the Securityholders) and the Acquiror Shares to be issued in connection with the Amalgamation, provided, however, that certificates evidencing any Consideration Shares required to be held in escrow in accordance with the requirements of the CSE, or otherwise, shall be delivered directly to the Escrow Agent;

(b) share certificate evidencing the Finders' Fee Shares registered to the Finders;

(c) the executed Supplemental Broker Warrant Certificate;

(d) the executed Supplemental Performance Warrant Certificates;

(e) the executed Supplemental Finder's Warrant Certificate;

(f) the resignation of all the Acquiror's directors and officers, as described in Section 9.4;

(g) resolutions consented to in writing by the directors of the Acquiror appointing the nominees of the Corporation as directors of the Acquiror and appointing John Gorst and Scott Manson as officers of the Acquiror;

(h) an executed change of name form described in Section 9.5 accompanied with an officer's certificate certifying the directors' resolution that authorized the name change;

(i) if required, an escrow agreement in a form satisfactory to the CSE, among the Acquiror, the Escrow Agent and such Securityholder as may be required by the CSE to be parties thereto, duly executed by the Acquiror;

(j) if required, evidence of the Acquiror Shareholder Approval;

(k) a certificate of one of the Acquiror's senior officers, dated as of the Closing Date, certifying: (i) that attached thereto are true and complete copies of the notice of articles and articles of the Acquiror (and all amendments thereto as in effect as on such date); (ii) all resolutions of the board of directors of the Acquiror approving the entering into of this Agreement and all ancillary agreements contemplated herein and the completion of the Transaction, including the issuance of the Consideration Shares, the Acquiror Shares to be issued in connection with the Amalgamation and, if applicable, the giving of the Recommendation, and (iii) as to the incumbency and genuineness of the signature of each officer of Acquiror and Zara Subco executing this Agreement or any of the other agreements or documents contemplated hereby;

(l) the officer's certificates referred to in Sections 10.3(h) and 10.3(i);

(m) duly executed copies of all the Corporation Securityholder Consent Agreements signed by the Acquiror;

(n) a certificate of good standing for the Acquiror and Zara Subco;

(o) favourable legal opinion regarding customary corporate and securities law matters from counsel to the Acquiror (which legal opinion, without limitation will include the issuance and resale of the Consideration Shares issued to the Securityholders and the Acquiror Shares to be issued in connection with the Amalgamation), in form and substance satisfactory to the Corporation and its counsel, each acting reasonably; and

(p) favourable legal opinion of United States legal opinion to the Acquiror to the effect that the Consideration Shares issued to the U.S. Securityholders is not required to be registered under the U.S. Securities Act, in form and substance satisfactory to the Corporation and its counsel, each acting reasonably.

11.3. Closing Deliveries of the Corporation and Finco

At the Time of Closing, the Corporation will deliver or cause to be delivered:

(a) consents to act for proposed directors and personal information forms for proposed directors and officers described in Sections 9.1 to 9.2;

(b) a certificate of one of the Corporation's senior officers, dated as of the Closing Date, certifying: (i) that attached thereto are true and complete copies of the articles and by-laws of the Corporation (and all amendments thereto as in effect as on such date); (ii) all resolutions of the board of directors of the Corporation approving the entering into of this Agreement and the completion of the Transaction; and (iii) as to the incumbency and genuineness of the signature of each officer of the Corporation and Finco executing this Agreement or any of the other agreements or documents contemplated hereby;

(c) the officer's certificates referred to in Sections 10.2(e) and 10.2(f);

(d) duly executed copies of the Corporation Securityholder Consent Agreements signed by each Securityholder who has not duly executed this Agreement;

(e) a certificate of good standing/existence for the Corporation and Finco;

(f) to the extent not previously delivered, all financial statements of the Corporation required to be included in the Listing Statement pursuant to applicable securities laws and the policies of the CSE;

(g) in the event an opinion is required by the CSE, and the Acquiror is, after using its reasonable best efforts, unable to receive a waiver from the relevant policies of the CSE requiring such opinion, a favourable opinion, in form and substance satisfactory to the CSE and its counsel, each acting reasonably;

(h) favourable legal opinion regarding customary corporate law matters from counsel to the Corporation, in form and substance satisfactory to the Acquiror and its counsel, each acting reasonably; and

(i) to the extent not previously delivered, such documents as may be required by applicable corporate and securities laws or the policies of the CSE necessary in relation to the appointment of nominees of the Corporation to the board of directors of the Acquiror and the appointment of new officers of the Acquiror.

11.4. Closing Deliveries of the Securityholders

At the Time of Closing, each Securityholder will cause to be delivered:

(a) with respect to each Securityholder, share certificates or other evidence acceptable to the Acquiror acting reasonably, evidencing the Acquired Corporation Shares owned by such Securityholder, duly endorsed in blank for transfer or accompanied by duly executed stock transfer powers, if applicable;

(b) with respect to U.S. Securityholders, the U.S. Representation Letter attached hereto as Schedule "D"; and

(c) if required by the CSE to be delivered by such Securityholder, an escrow agreement in a form satisfactory to the CSE, among the Acquiror, the Escrow Agent and such Securityholder as may be required by the CSE to be parties thereto, duly executed by such Securityholder.

11.5. Completion of Amalco Wind Up

The parties will use commercially reasonable efforts to complete the Amalco Wind Up promptly following closing.

ARTICLE 12.
COVENANTS OF THE ACQUIROR AND ZARA SUBCO

12.1. The Acquiror and Zara Subco covenant and agree that during the period commencing on the date of this Agreement and continuing until Closing or the earlier termination of this Agreement, the Acquiror and Zara Subco will:

(a) in a timely and expeditious manner:

(i) prepare, in consultation with the Corporation, the Listing Statement (and Information Circular, if applicable) in prescribed form and in form and content acceptable to the Corporation, acting reasonably, and file the Listing Statement with the CSE in accordance with all applicable laws and the policies of the CSE;

(ii) provide the Recommendation and obtain the Acquiror Shareholder Approval in a timely manner;

(iii) file and/or deliver any document or documents as may be required in order for the Transaction as contemplated herein to be effective; and

(iv) file and/or deliver any document or documents required pursuant to Applicable Laws and/or the rules and policies of the CSE in connection with the Transaction as contemplated herein after the Closing;

(b) ensure that the Listing Statement (and Information Circular, if applicable) does not contain a misrepresentation as it relates to the Acquiror, including in respect of its assets, liabilities, operations, business and properties;

(c) to make available and afford the Corporation and its authorized representatives and, if requested by the Corporation, provide a copy of all title documents, contracts, financial statements, minute books, share certificate books, if any, share registers, plans, reports, licences, orders, permits, books of account, accounting records, constating documents and all other documents, information and data relating to the Acquiror. The Acquiror will afford the Corporation and its authorized representatives every reasonable opportunity to have free and unrestricted access to the Acquiror's property, assets, undertaking, records and documents. At the request of the Corporation, the Acquiror will execute or cause to be executed such consents, authorizations and directions as may be necessary to permit any inspection of the Acquiror's business and any of its property or to enable the Corporation or its authorized representatives to obtain full access to all files and records relating to any of the assets of the Acquiror maintained by governmental or other public authorities. The obligations in this Section 12.1(c) are subject to any access or disclosure contemplated herein not being otherwise prohibited by reason of a confidentiality obligation owed to a third party for which a waiver cannot be obtained, provided that in such circumstance the Acquiror will be required to disclose that information has been withheld on this basis. The exercise of any rights of inspection by or on behalf of the Corporation

under this Section 12.1(c) will not mitigate or otherwise affect the representations and warranties of the Acquiror hereunder.

(d) make application to the CSE and diligently pursue the approval of the Transaction (including the obligation of the Acquiror to issue the Consideration Shares, the Finder's Fee Shares, the Acquiror Shares to be issued on exercise of the Broker Warrants, the Acquiror Shares to be issued on exercise of the Performance Warrants, the Acquiror Shares to be issued on exercise of the Finder's Warrants, and the Acquiror Shares to be issued in connection with the Amalgamation), and the Listing of the Consideration Shares, Finder's Fee Shares, all Acquiror Shares to be issued on exercise of the Broker Warrants, Finder's Warrants and Performance Warrants and all Acquiror Shares issued to shareholders of Finco in connection with the Amalgamation, and using commercially reasonable efforts not be required to hold the Acquiror Shareholder Meeting with respect to the Transaction;

(e) preserve and protect the Listing;

(f) except for non-substantive communications, and provided that such disclosure is not otherwise prohibited by reason of a confidentiality obligation owed to a third party for which a waiver cannot be obtained (provided that in such circumstance the Acquiror will be required to disclose that information has been withheld on this basis), furnish promptly to the Corporation (on behalf of the Securityholders) a copy of each notice, report, schedule or other document or communication delivered, filed or received by the Acquiror in connection with or related to the Transaction, any filings under applicable laws and any dealings with any Governmental Entity in connection with or in any way affecting the Transaction as contemplated herein;

(g) ensure that each of the Consideration Shares, the Finders' Fee Shares and the Acquiror Shares being issued in connection with the Amalgamation will be validly issued, fully paid and non-assessable when issued;

(h) use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations set forth in this Agreement to the extent the same are within its control and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under all applicable laws to complete the Transaction as contemplated herein, including using commercially reasonable efforts to:

(i) obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, leases, licenses, agreements and other Contracts, as applicable;

(ii) effect all necessary registrations and filings and submissions of information requested by any Governmental Entity required to be effected by it in connection with the Transaction and participate and appear in any

proceedings of either the Acquiror or the Corporation before any Governmental Entity to the extent permitted by such authorities; and

(iii) fulfill all conditions and satisfy all provisions of this Agreement and the Transaction;

(i) sell, transfer or otherwise dispose of all of its ownership and economic interests in the assets set out in the Disclosure Letter - Acquiror;

(j) subject to Applicable Laws, not take any action, refrain from taking any action, or permit any action to be taken or not taken inconsistent with this Agreement or which would reasonably be expected to significantly impede the consummation of the Transaction;

(k) conduct and operate its business and affairs only in the ordinary course consistent with past practice and use commercially reasonable efforts to preserve its business organization, goodwill and material business relationships with other persons and, for greater certainty, other than in respect of the Transaction, it will not enter into any material transaction out of the ordinary course of business consistent with past practice without the prior consent of the Corporation, and the Acquiror will keep the Corporation fully informed as to the material decisions or actions required or required to be made with respect to the operation of its business, provided that such disclosure is not otherwise prohibited by reason of a confidentiality obligation owed to a third party for which a waiver could not be obtained;

(l) Zara Subco shall not have any business operations, other than in respect of the Transaction;

(m) except as may be necessary or desirable in order to effect the Transaction as contemplated hereunder, not alter or amend its notice of articles or articles as the same exist at the date of this Agreement;

(n) other than pursuant to the terms of this Agreement or the Amalgamation Agreement, not merge into or with, or amalgamate or consolidate with, or enter into any other corporate reorganization or arrangement with, or transfer its undertaking or assets as an entirety or substantially as an entirety to, any other person or perform any act which would render inaccurate in any material way any of its representations and warranties set forth herein as if such representations and warranties were made at a date subsequent to such act and all references to the date of this Agreement were deemed to be such later date, except as contemplated in this Agreement, and without limiting the generality of the foregoing, it will not:

(i) make any distribution by way of dividend, distribution of property or assets, return of capital or otherwise to or for the benefit of its shareholders;

(ii) increase or decrease its paid-up capital or purchase or redeem any Acquiror Shares except in accordance with the terms of this Agreement and the Amalgamation Agreement; or

(iii) issue or enter into any commitment to issue any of its shares or securities convertible into, or rights, warrants or options to acquire, any such shares, except in accordance with the terms of this Agreement and the Amalgamation Agreement;

(o) take all necessary corporate action and proceedings to approve and authorize the issuance of the Consideration Shares to the Securityholders and the Finders' Fee Shares to the Finders;

(p) take all necessary corporate action and proceedings to approve and authorize the Amalgamation and the issuance of the Acquiror Shares to the shareholders of Finco in connection with the Amalgamation;

(q) prepare and file with all applicable securities commissions such notifications and fees necessary to permit, or that are required in connection with, the issuance of the Consideration Shares to the Securityholders, the Finders' Fee Shares to the Finders, and the Acquiror Shares to the shareholders of Finco, in each case, on a basis exempt from the prospectus and registration requirements of the applicable Securities Laws of the provinces of Canada in which the Securityholders, the Finders and the shareholders of Finco are resident and under the U.S. Securities Act and all applicable state securities laws;

(r) not conduct negotiations with, or solicit, encourage, accept or approve any bids from any firm, person, corporation, or other entity, concerning a potential Alternative Transaction;

(s) not, directly or indirectly, negotiate or deal with any party other than the Corporation relating to an Alternative Transaction involving the Acquiror or the acquisition by the Acquiror of all or any part of the outstanding shares or assets or property of any other person, or solicit enquiries or provide information with respect to same;

(t) use its commercially reasonable efforts to maintain its status as a "reporting issuer" (as defined under applicable securities legislation), not in default of the Securities Laws of the Provinces of British Columbia Alberta, and Ontario;

(u) take all action necessary, including causing such meetings of directors and shareholders of the Acquiror to be held (or if written director or shareholders resolutions are to be obtained, such resolutions to be signed) and, if required, use commercially reasonable efforts to solicit proxies in favour thereof, in order to effect the appointment of the director nominees of the Corporation to the Acquiror's board of directors at or prior to Closing;

(v) except for Contracts entered into pursuant to the terms of this Agreement and the Amalgamation, not enter into, cancel, fail to renew or terminate any Contract or amend or modify in any material respect any of its existing Contracts without the express written consent of the Corporation;

(w) not implement or adopt any change in its accounting principles, practices or methods, other than as may be required by changes in law, regulations or IFRS;

(x) not enter into any settlement or similar agreement with respect to any action, suit, proceeding, order or investigation to which Acquiror or any of its subsidiaries is or becomes a party after the date of this Agreement, without the express written consent of the Corporation;

(y) not incur any indebtedness for borrowed money or assume, guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any other person, without the express written consent of the Corporation;

(z) not make or change any material Tax election, settle or compromise any material Tax liability of the Acquiror or any of its subsidiaries, agree to an extension or waiver of the statute of limitations with respect to the assessment or determination of a material amount of Taxes of the Acquiror any of its subsidiaries, enter into any closing agreement with respect to any material amount of Taxes or surrender any right to claim a material Tax refund, adopt or change any method of accounting with respect to Taxes, or file any amended Tax Return, without the express written consent of the Corporation;

(aa) not make or propose to make any loan to or enter into any transaction with any of the directors or executive officers of the Acquiror or any of its subsidiaries or any affiliate thereof;

(bb) maintain the Books and Records of the Acquiror and its subsidiaries in material compliance with applicable legal and accounting requirements, so that such books and records accurately reflect in all material respects all dealings and transactions in respect of the business, assets, liabilities and affairs of the Acquiror and its Subsidiaries;

(cc) complete the Consolidation prior to the Closing Date;

(dd) ensure that the Acquiror Stock Option Plan is effective at the Time of Closing;

(ee) ensure that any outstanding Acquiror Preferred Shares are redeemed or converted and that no Acquiror Preferred Shares remain outstanding at the Time of Closing;

(ff) give effect to the name change of the Acquiror outlined in Section 9.5; and

(gg) not to authorize, sell or issue, or negotiate or enter into an agreement to sell or issue, any securities of the Acquiror (including those that are convertible or

exchangeable into securities of the Acquiror), other than as contemplated under this Agreement (including the issuance of securities under the Amalgamation and issuance of the Finders' Fee Shares) or pursuant to the exercise or conversion of share purchase warrants, options or convertible securities of the Acquiror outstanding as of the date hereof;

ARTICLE 13.
COVENANTS OF THE CORPORATION AND FINCO

13.1. The Corporation and Finco covenant and agree that during the period commencing on the date of this Agreement and continuing until Closing or the earlier termination of this Agreement, the Corporation and Finco will:

(a) In a timely and expeditious manner, assist the Acquiror in the preparation of the Listing Statement (and Information Circular, if applicable) with respect to the Transaction, including providing such information in relation to the business, affairs, assets and properties of the Corporation as may be necessary to comply with applicable laws and the policies of the CSE;

(b) ensure that the Listing Statement (and Information Circular, if applicable) does not contain a misrepresentation as it relates to the Corporation, including in respect of its assets, liabilities, operations, business and properties;

(c) to make available and afford the Acquiror and its authorized representatives and, if requested by the Acquiror, provide a copy of all title documents, contracts, financial statements, minute books, share certificate books, if any, share registers, plans, reports, licences, orders, permits, books of account, accounting records, constating documents and all other documents, information and data relating to the Corporation. The Corporation will afford the Acquiror and its authorized representatives every reasonable opportunity to have free and unrestricted access to the Corporation's property, assets, undertaking, records and documents. At the request of the Acquiror, the Corporation will execute or cause to be executed such consents, authorizations and directions as may be necessary to permit any inspection of the Corporation's business and any of its property or to enable the Acquiror or its authorized representatives to obtain full access to all files and records relating to any of the assets of the Corporation maintained by governmental or other public authorities. The obligations in this Section 11.1(c) are subject to any access or disclosure contemplated herein not being otherwise prohibited by reason of a confidentiality obligation owed to a third party for which a waiver cannot be obtained, provided that in such circumstance the Corporation will be required to disclose that information has been withheld on this basis. The exercise of any rights of inspection by or on behalf of Acquiror under this Section 11.1(c) will not mitigate or otherwise affect the representations and warranties of the Corporation hereunder;

(d) except for non-substantive communications, and provided that such disclosure is not otherwise prohibited by reason of a confidentiality obligation owed to a third

party for which a waiver cannot be obtained (provided that in such circumstance the Corporation will be required to disclose that information has been withheld on this basis), furnish promptly to the Acquiror a copy of each notice, report, schedule or other document or communication delivered, filed or received by the Corporation in connection with or related to the Transaction, any filings under applicable laws and any dealings with any Governmental Entity in connection with or in any way affecting the Transaction as contemplated herein (other than in respect of an Alternative Transaction, in which case a summary of the material terms may be provided);

(e) use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations set forth in this Agreement to the extent the same are within its control and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under all applicable laws to complete the Transaction, including using commercially reasonable efforts to:

(i) obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, leases, licenses, agreements and other Contracts;

(ii) effect all necessary registrations and filings and submissions of information requested by any Governmental Entity required to be effected by it in connection with the Transaction and participate and appear in any proceedings of either the Corporation or the Acquiror before any Governmental Entity to the extent permitted by such authorities; and

(iii) fulfill all conditions and satisfy all provisions of this Agreement and the Transaction;

(f) subject to Applicable Laws or as authorized by this Agreement, not take any action, refrain from taking any action, or permit any action to be taken or not taken inconsistent with this Agreement or which would reasonably be expected to significantly impede the consummation of the Transaction;

(g) conduct and operate its business and affairs only in the ordinary course consistent with past practice and use commercially reasonable efforts to preserve its business organization, goodwill and material business relationships with other persons and, for greater certainty, it will not enter into any material transaction out of the ordinary course of business consistent with past practice without the prior consent of the Acquiror, and the Corporation will keep the Acquiror fully informed as to the material decisions or actions required or required to be made with respect to the operation of its business, provided that such disclosure is not otherwise prohibited by reason of a confidentiality obligation owed to a third party for which a waiver could not be obtained;

(h) except as may be necessary or desirable in order to effect the Transaction as contemplated hereunder, not alter or amend its articles or bylaws as the same exist at the date of this Agreement;

(i) other than pursuant to the terms of this Agreement and the Amalgamation Agreement, not merge into or with, or amalgamate or consolidate with, or enter into any other corporate reorganization or arrangement with, or transfer its undertaking or assets as an entirety or substantially as an entirety to, any other person or perform any act which would render inaccurate in any material way any of its representations and warranties set forth herein as if such representations and warranties were made at a date subsequent to such act and all references to the date of this Agreement were deemed to be such later date, except as contemplated in this Agreement, and without limiting the generality of the foregoing, it will not:

(i) make any distribution by way of dividend, distribution of property or assets, return of capital or otherwise to or for the benefit of its shareholders;

(ii) increase or decrease its paid-up capital or purchase or redeem any shares; or

(iii) other than the Performance Warrants, the Finder's Warrants, the Broker Warrants and the issuance of Corporation Shares to any brokers and/or finders in connection with services provided to the Corporation or Finco, issue or enter into any commitment to issue any of its shares or securities convertible into, or rights, warrants or options to acquire any such shares;

(j) not directly or indirectly, negotiate or deal with any party other than with the Acquiror relating to the sale or disposition of any part of the outstanding Corporation Shares or assets of the Corporation, or solicit enquiries or provide information with respect to same. Notwithstanding the foregoing, nothing contained in this Agreement shall be interpreted to extend to the acts or omissions of any person acting in his or her capacity as a director or officer of the Corporation or otherwise to fetter the proper exercise of discretion of such person. In addition, nothing contained in this Agreement will prohibit, prevent or restrict the Corporation from furnishing or from providing information in respect of or otherwise responding to or engaging in discussions or negotiations in respect of, an unsolicited Alternative Transaction not resulting from a breach of this Section 13.1(j) or the directors of the Corporation, in the fulfilment of their fiduciary duties, from supporting or facilitating any such unsolicited Alternative Transaction, or the Corporation from completing any such Alternative Transaction, or entering into a definitive and binding agreement to effect such an Alternative Transaction, if directors of the Corporation determine in good faith, after consultation, to the extent considered appropriate by the directors, with its financial and legal advisors, that such unsolicited Alternative Transaction constitutes, or could reasonably be expected to lead to or result in, a

transaction that would, if consummated in accordance with its terms, be more favourable to the Corporation or the Securityholders than the Transaction provided, however, that prior to taking such action, the directors of the Corporation shall have concluded, after considering applicable laws, and receiving advice of outside counsel that such action would be a proper exercise of its fiduciary duties, or is otherwise required under, applicable laws, that it is appropriate that the directors take such action in order to properly discharge their fiduciary duties or that such action is otherwise required under applicable laws;

(k) use commercially reasonable efforts to use not less than 15% of the aggregate net proceeds from the sale of the Debentures towards investor relations and shareholder communication activities mutually agreeable between the Corporation and the Acquiror, each acting reasonable;

(l) take all necessary corporate action and proceedings to approve and authorize the valid and effective transfer of the Acquired Corporation Shares to the Acquiror; and

(m) following the Transaction, cause the Corporation to continue its historic business or use a significant portion of its historic business assets in a business within the meaning of Treasury Regulations promulgated under Section 368 of the Code;

ARTICLE 14.
COVENANTS OF SECURITYHOLDERS

14.1. Each of the Securityholders covenants and agrees that until Closing or the earlier termination of this Agreement it will:

(a) in a timely and expeditious manner, provide such information with respect to the Securityholder as the Acquiror may reasonably require in connection with the preparation of the Listing Statement (and Information Circular, if applicable) with respect to the Transaction and as may be necessary to comply with applicable laws and the policies of the CSE;

(b) enter into such escrow arrangements in respect of the Consideration Shares as may be required in accordance with applicable securities laws and/or the policies of the CSE;

(c) except for non-substantive communications, and provided that such disclosure is not otherwise prohibited by reason of a confidentiality obligation owed to a third party for which a waiver cannot be obtained (provided that in such circumstance the Securityholder will be required to disclose that information has been withheld on this basis), furnish promptly to the Acquiror a copy of each notice, report, schedule or other document or communication delivered, filed or received

by such Securityholder in connection with or related to the Transaction, any filings under applicable laws and any dealings with any Governmental Entity in connection with or in any way affecting, the Transaction as contemplated herein (other than in respect of an Alternative Transaction, in which case a summary of the material terms may be provided);

(d) use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations set forth in this Agreement to the extent the same are within its control and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable laws to complete the Transaction, including using commercially reasonable efforts to:

(e) effect all necessary registrations and filings and submissions of information requested by any Governmental Entity required to be effected by it in connection with the Transaction; and

(f) fulfill all conditions and satisfy all provisions of this Agreement and the Transaction;

(g) ensure that it is either outside of the United States when it executes this Agreement, receives any Corporation Shares and receives the Consideration Shares, or properly completes, executes and delivers to the Corporation the U.S. Representation Letter for U.S. Securityholders in the form attached hereto as Schedule "D";

(h) subject to Applicable Laws or as otherwise authorized by this Agreement, not take any action, refrain from taking any action, or permit any action to be taken or not taken, inconsistent with this Agreement or which would reasonably be expected to significantly impede the consummation of the Transaction; and

(i) not encumber in any manner the Acquired Corporation Shares and ensure that at the Time of Closing the Acquired Corporation Shares are free and clear of all Liens, charges, mortgages, security interests, pledges, demands, claims and other encumbrances whatsoever.

ARTICLE 15.
MUTUAL COVENANTS

15.1. Each of the Parties hereby covenants and agrees as follows:

(a) to use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder which are reasonably under its control and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under Applicable Laws and regulations to complete the Transaction prior to March 26, 2019, including the Amalgamation in accordance with the terms of this Agreement and the Amalgamation Agreement. Without limiting the generality of the foregoing, in

the event that any person, including without limitation, any securities regulatory authority, seeks to prevent, delay or hinder implementation of all or any portion of the Transaction (including the Amalgamation) or seeks to invalidate all or any portion of this Agreement or the Amalgamation Agreement, each of the parties shall use commercially reasonable efforts to resist such proceedings and to lift or rescind any injunction or restraining order or other order or action seeking to stop or otherwise adversely affecting the ability of the parties to complete the Transaction prior to March 26, 2019;

(b) to use commercially reasonable efforts to obtain, before March 26, 2019, all authorizations, waivers, exemptions, consents, orders and other approvals from domestic or foreign courts, Governmental Entities, shareholders and third parties as are necessary for the consummation of the transactions contemplated herein;

(c) to use commercially reasonable efforts to defend or cause to be defended any lawsuits or other legal proceedings brought against it challenging this Agreement or the completion of the Transaction; no party will settle or compromise any claim brought against them in connection with the transactions contemplated by this Agreement prior to the Closing Date without the prior written consent of each of the others, such consent not to be unreasonably withheld or delayed;

(d) to promptly notify each of the other parties if any representation or warranty made by it in this Agreement ceases to be true and correct in all respects (in the case of any representation or warranty containing any materiality or Material Adverse Effect qualifier) or in all material respects (in the case of any representation or warranty without any materiality or Material Adverse Effect qualifier) and of any failure to comply in any material respect with any of its obligations under this Agreement;

(e) to co-operate with each of the other Parties hereto in good faith in order to ensure the timely completion of the Transaction;

(f) to use commercially reasonable efforts to co-operate with each of the other Parties hereto in connection with the performance by the other of its obligations under this Agreement; and

(g) in the case of the Corporation and the Acquiror, to indemnify and hold harmless each of the other parties hereto (and, if applicable, such other parties' respective directors, officers, representatives and advisers) (collectively, the "**Non-Offending Persons**") from and against all claims, damages, liabilities, actions or demands to which the Non-Offending Persons may be subject insofar as such claims, damages, liabilities, actions or demands arise out of, or are based upon, the information supplied by the Corporation or the Acquiror, as applicable, for inclusion in the Listing Statement (or Information Circular, if required) having contained a misrepresentation. The Corporation and the Acquiror shall obtain and hold the rights and benefits of this subsection in trust for and on behalf of such Parties' respective directors, officers, representatives and advisers.

ARTICLE 16.
TERMINATION

16.1. This Agreement may be terminated at any time prior to the Closing:

(a) by mutual written consent of all the Parties hereto;

(b) by either the Corporation or the Acquiror if the Closing shall not have been consummated on or prior to the Termination Date, without liability to the terminating party on account of such termination; provided that the right to terminate this Agreement pursuant to this Section 16.1(b) shall not be available to a party whose breach or violation of any representation, warranty, covenant, obligation or agreement under this Agreement has been the cause of or has resulted in the failure of the Closing to occur on or before such date;

(c) by the Acquiror, if there has been a material breach by the Corporation or the Securityholders of any representation, warranty, covenant or agreement set forth in this Agreement or any of the documents contemplated hereby which breach would result in the failure to satisfy one or more of the conditions set forth in Section 10.1 which the Corporation or the Securityholders, as applicable, fails to cure within ten (10) Business Days after written notice thereof is given by the Acquiror;

(d) by the Corporation if there has been a material breach by the Acquiror of any representation, warranty, covenant or agreement set forth in this Agreement or any of the documents contemplated hereby which breach would result in the failure to satisfy one or more of the conditions set forth in Section 10.3 which the Acquiror fails to cure within ten (10) Business Days after written notice thereof is given by the Corporation;

(e) by the Acquiror or the Corporation, if the Corporation completes an Alternative Transaction or enters into a definitive and binding agreement to effect an Alternative Transaction; and

(f) by any party, if any permanent injunction or other order of a court or other competent authority preventing the Closing shall have become final and non-appealable; provided, however, that no party shall be entitled to terminate this Agreement if such party's material breach of this Agreement or any of the documents contemplated hereby has resulted in such permanent injunction or order.

(g) Upon termination of this Agreement in accordance with the terms hereof, the Parties hereto shall have no further obligations under this Agreement, other than the obligations contained in Sections 20.7 and 20.10.

ARTICLE 17.
INDEMNIFICATION

17.1. Indemnification by the Acquiror and Zara Subco

Subject to Section 5.2, the Acquiror and Zara Subco shall jointly indemnify and save the Corporation, Finco, and the Securityholders harmless for and from:

(a) any loss, damages or deficiencies suffered by the Corporation, Finco or the Securityholders as a result of any breach by either the Acquiror or Zara Subco of any representation, warranty or covenant on the part of either the Acquiror or Zara Subco contained in this Agreement or in any certificate or document delivered pursuant to or contemplated by this Agreement; and

(b) all claims, demands, costs and expenses, including legal fees, in respect of the foregoing.

17.2. Indemnification by the Corporation and Finco

Subject to Section 3.2, the Corporation and Finco shall jointly indemnify and save the Acquiror and Zara Subco harmless for and from:

(a) any loss, damages or deficiencies suffered by either the Acquiror or Zara Subco as a result of any breach of representation, warranty or covenant on the part of the Corporation or Finco contained in this Agreement or in any certificate or document delivered pursuant to or contemplated by this Agreement; and

(b) all claims, demands, costs and expenses, including legal fees, in respect of the foregoing.

17.3. Indemnification by Securityholders

Each of the Securityholders, on its own behalf, and not on behalf of any other Securityholder, severally (and for greater certainty, not jointly with any other Securityholder) shall indemnify and save the Acquiror and Zara Subco harmless for and from:

(a) any loss, damages or deficiencies suffered by the Acquiror or Zara Subco as a result of any breach by such Securityholder of any representation, warranty or covenant on the part of such Securityholder contained in this Agreement or in any certificate or document delivered pursuant to or contemplated by this Agreement; and

(b) all claims, demands, costs and expenses, including legal fees, in respect of the foregoing.

17.4. Notice of Claim

A party entitled to and seeking indemnification pursuant to the terms of this Agreement (the "**Indemnified Party**") shall promptly give written notice to the party or parties, as applicable, responsible for indemnifying the Indemnified Party (the "**Indemnifying Party**") of any claim for indemnification pursuant to Sections 15.1, 15.2 and 15.3 (a "Claim", which term shall include more than one Claim). Such notice shall specify whether the Claim arises as a result of a claim by a person against the Indemnified Party (a "**Third Party Claim**") or whether the Claim does not so arise (a "**Direct Claim**"), and shall also specify with reasonable particularity (to the extent that the information is available):

(a) the factual basis for the Claim; and

(b) the amount of the Claim, or, if any amount is not then determinable, an approximate and reasonable estimate of the likely amount of the Claim.

17.5. Procedure for Indemnification

(a) Direct Claims. With respect to Direct Claims, following receipt of notice from the Indemnified Party of a Claim, the Indemnifying Party shall have 30 days to make such investigation of the Claim as the Indemnifying Party considers necessary or desirable. For the purpose of such investigation, the Indemnified Party shall make available to the Indemnifying party the information relied upon by the Indemnified Party to substantiate the Claim. If the Indemnified Party and the Indemnifying Party agree at or prior to the expiration of such 30-day period (or any mutually agreed upon extension thereof) to the validity and amount of such Claim, the Indemnifying Party shall immediately pay to the Indemnified Party the full agreed upon amount of the Claim.

(b) Third Party Claims. With respect to any Third Party Claim, the Indemnifying Party shall have the right, at its own expense, to participate in or assume control of the negotiation, settlement or defence of such Third Party Claim and, in such event, the Indemnifying Party shall reimburse the Indemnified Party for all the Indemnified Party's out-of-pocket expenses incurred as a result of such participation or assumption. If the Indemnifying Party elects to assume such control, the Indemnified Party shall cooperate with the Indemnifying Party, shall have the right to participate in the negotiation, settlement or defence of such Third Party Claim at its own expense and shall have the right to disagree on reasonable grounds with the selection and retention of counsel, in which case counsel satisfactory to the Indemnifying Party and the Indemnified Party shall be retained by the Indemnifying Party. If the Indemnifying Party, having elected to assume such control, thereafter fails to defend any such Third Party Claim within a reasonable time, the Indemnified Party shall be entitled to assume such control and the Indemnifying Party shall be bound by the results obtained by the Indemnified Party with respect to such Third Party Claim

17.6. General Indemnification Rules

The obligations of the Indemnifying Party to indemnify the Indemnified Party in respect of Claims shall also be subject to the following:

(a) Without limiting the generality of Section 17.1, 17.2 and 17.3 any Claim for breach of any representation, warranty or covenant shall also be subject to Sections 3.2 and 5.2, as applicable;

(b) The Indemnifying Party's obligation to indemnify the Indemnified Party shall only apply to the extent that the Claims in respect of which the Indemnifying Party has given an indemnity, in the aggregate, exceed $10,000;

(c) notwithstanding anything to the contrary in this Agreement, the aggregate liability of an Indemnifying Party which is a Securityholder to any and all Indemnified Parties under this Article 17 shall be limited to the amount paid to such Indemnifying Party in respect of its Acquired Corporation Shares pursuant to Article 2; for greater certainty, no Securityholder shall be liable, in the aggregate, to any and all Indemnified Parties for any amount in excess of the value of its pro rata share of the Consideration Shares;

(d) notwithstanding anything to the contrary in this Agreement, the aggregate liability of the Corporation or the Acquiror to any and all Indemnified Parties under this Article 17 shall be limited to the aggregate value of the Consideration Shares issuable under this Agreement;

(e) if any Third Party Claim is of a nature such that the Indemnified Party is required by applicable law to make a payment to any person (a "**Third Party**") with respect to such Third Party Claim before the completion of settlement negotiations or related legal proceedings, the Indemnified Party may make such payment and thereafter seek reimbursement from the Indemnifying Party for any such payment. If any Indemnifying Party pays, or reimburses an Indemnified Party in respect of any Third Party Claim before completion of settlement negotiations or related legal proceedings, and the amount of any liability of the Indemnified Party under the Third Party Claim in respect of which such a payment was made, as finally determined, is less than the amount which was paid by the Indemnifying Party, the Indemnified Party shall, forthwith after receipt of the difference from the Third Party, pay the amount of such difference to the Indemnifying Party;

(f) except in the circumstance contemplated by Section 17.5, and whether or not the Indemnifying Party assumes control of the negotiation, settlement or defence of any Third Party Claim, the Indemnified Party shall not negotiate, settle, compromise or pay any Third Party Claim except with the prior written consent of the Indemnifying Party (which consent shall not be unreasonably withheld);

(g) the Indemnified Party shall not permit any right of appeal in respect of any Third Party Claim to terminate without giving the Indemnifying Party notice and an opportunity to contest such Third Party Claim;

(h) the Indemnified Party and the Indemnifying Party shall cooperate fully with each other with respect to Third Party Claims and shall keep each other fully advised with respect thereto (including supplying copies of all relevant documentation promptly as it becomes available); and

(i) the provisions of this Article 15 shall constitute the sole remedy available to a party against another party with respect to any and all breaches of any agreement, covenant, representation or warranty made by such other party in this Agreement.

ARTICLE 18.
EXCLUSIVITY AND ACCESS

18.1. Obligations of the Corporation and Corporation Shareholders

Prior to the Termination Date, or the earlier termination of this Agreement, neither the Corporation nor the Corporation Shareholders shall, directly or indirectly, negotiate or deal with any party other than with the Acquiror relating to the sale or disposition of any part of the outstanding the Corporation Shares or assets of the Corporation, or solicit enquiries or provide information with respect to same. Notwithstanding the foregoing, nothing contained in this Agreement shall be interpreted to extend to the acts or omissions of any person acting in his or her capacity as a director or officer of the Corporation or otherwise to fetter the proper exercise of discretion of such Person. In addition, nothing contained in this Agreement will prohibit, prevent or restrict the Corporation from furnishing or providing information in respect of or otherwise responding to or engaging in discussions or negotiations in respect of, an unsolicited Alternative Transaction not resulting from a breach of this Section 18.1, or the directors of the Corporation, in the fulfilment of their fiduciary duties, from supporting or facilitating any such unsolicited Alternative Transaction, or the Corporation or the Corporation Shareholders from completing any such Alternative Transaction, or entering into a definitive and binding agreement to effect such an Alternative Transaction, if directors of the Corporation determine in good faith, after consultation, to the extent considered appropriate by the directors, with its financial and legal advisors, that such unsolicited Alternative Transaction constitutes, or could reasonably be expected to lead to or result in, a transaction that would, if consummated in accordance with its terms, be more favourable to the Corporation or the Corporation Shareholders than the Transaction provided, however, that prior to taking such action, the directors of the Corporation shall have concluded, after considering Applicable Laws, and receiving advice of outside counsel, that such action would be a proper exercise of its fiduciary duties, or is otherwise required, under Applicable Laws, that it is appropriate that the directors take such action in order to properly discharge their fiduciary duties or that such action is otherwise required under Applicable Laws

18.2. Obligations of the Acquiror

Prior to the Termination Date, or the earlier termination of this Agreement, the Acquiror shall not, directly or indirectly, negotiate or deal with any party other than the Corporation relating to an Alternative Transaction involving the Acquiror or the acquisition by the Acquiror of all or any part of the outstanding shares or assets or property of any other person, or solicit

enquiries or provide information with respect to same, provided that nothing herein shall prevent the board of directors of the Acquiror from responding to an unsolicited offer in accordance with their fiduciary duties as directors.

ARTICLE 19.
NOTICES

19.1. All notices, demands or other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given when delivered personally to the recipient or by email addressed to the recipient. Such notices, demands and other communications shall be delivered, mailed or sent electronically to the parties at the respective addresses or email addresses indicated below:

(a) If to the Corporation, Finco or the Securityholders, addressed as follows:

c/o the Blacklist Holdings Inc.
1915 South M Street
Tacoma, Washington 90840

Attention: John P. Gorst
E-mail: john.gorst@blacklistholdings.com

With a courtesy copy (which copy shall not constitute notice to the Corporation or the Securityholders) to:

Davis Wright Tremaine LLP
865 S. Figueroa St. Suite 2400
Los Angeles, California

Attention: Andrew Bond
E-mail: Andrewbond@dwt.com

If to the Acquiror or Zara Subco, addressed as follows:

Zara Resources Inc.

488-1090 West Georgia Street
Vancouver, British Columbia V6E 3V7

Attention: Kenneth Cotiamco, Director
E-mail: ken@skanderbegcapital.com

With a courtesy copy (which copy shall not constitute notice to the Acquiror) to:

McMillan LLP
1500 Royal Centre
1055 West Georgia Street

Vancouver, British Columbia V6E 4N7

Attention: [redacted]
E-mail: [redacted]

or to such other address as the Party to be notified shall have furnished to the other parties in writing. Any notice given in accordance with the foregoing shall be deemed to have been given when delivered in person or on the next Business Day following the date on which it shall have been sent electronically or mailed.

ARTICLE 20.
GENERAL

20.1. Each of the Securityholders hereby severally and irrevocably appoints the Corporation as its agent and attorney to take any action that is required under the Agreement or to execute and deliver any documents on their behalf for the purposes of all Closing matters, and do and cause to be done all such acts and things as may be necessary or desirable in connection with the Closing of the Transaction. Without limiting the generality of the foregoing, the Corporation may, on its own behalf and on behalf of the Securityholders, extend the Time of Closing, modify or waive any conditions as are contemplated herein, negotiate, settle and deliver the final forms of any documents that are necessary or desirable to give effect to the Transaction (other than any escrow agreements required that a Securityholder may be required to enter into), extend such time periods as may be contemplated herein or terminate this Agreement, in its absolute discretion, as it deems appropriate. Each of the Securityholders hereby acknowledges and agrees that any decision or exercise of discretion made by the Corporation under this Agreement, shall be final and binding upon the Securityholders so long as such decision or exercise was made in good faith. The Acquiror shall have no duty to enquire into the validity of any document executed or other action taken by the Corporation on behalf of the Securityholders pursuant to this Section 20.1.

20.2. This Agreement:

(a) shall be construed and enforced in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein and is to be treated in all respects as a British Columbia contract; and

(b) shall enure to the benefit of and be binding upon the Acquiror, Zara Subco, the Securityholders, Finco and the Corporation and their respective executors, administrators, legal representatives, successors and permitted assigns, nothing in this Agreement, express or implied, being intended to confer upon any other person any rights or remedies hereunder.

20.3. This Agreement may be amended or modified only by a written instrument executed by the Parties affected thereby, or by their respective successors and permitted assigns.

20.4. This Agreement, the Schedules hereto and the documents specifically referred to herein or executed and delivered concurrently herewith or at the Closing constitute the entire

agreement, understanding, representations and warranties of the Parties hereto and supersede any prior agreement, understanding, representation, warranty or documents relating to the subject matter of this Agreement.

20.5. Time shall be of the essence hereof.

20.6. Each of the Parties hereto covenants and agrees that at any time and from time to time after the Closing Date such Party will, upon the request of any other Party, do, execute, acknowledge and deliver all such further acts, documents and assurances as may be reasonably required for the better carrying out of the terms of this Agreement.

20.7. This Agreement may be executed by facsimile or PDF email and in one or more counterparts, each of which shall be considered an original but all of which together shall constitute one and the same agreement.

20.8. Each Party shall be responsible for and bear all of its own costs and expenses (including any legal, accounting, banking, broker's, finder's, consultant's or other fees or expenses) incurred in connection with the Transaction, including fees and expenses of its representatives incurred at any time in connection with pursuing or consummating the Transaction.

20.9. No director, officer, employee or agent of the Acquiror or Zara Subco shall have any personal liability whatsoever to the Corporation, Finco or the Securityholders under this Agreement or any other document delivered in connection with the Transaction on behalf of the Acquiror or Zara Subco.

20.10. No director, officer, employee or agent of the Corporation of Finco shall have any personal liability whatsoever to the Acquiror or Zara Subco under this Agreement or any other document delivered in connection with the Transaction on behalf of the Corporation or Finco.

20.11. No director, officer, employee, partner or agent of any Securityholder (in such capacity) shall have any personal liability whatsoever to any other Party under this Agreement or any other document delivered in connection with the Transaction on behalf of such Securityholder.

20.12. The Parties hereto agree to file in a timely manner all forms required to be filed after the Closing Date by Applicable Law and by the regulations and policies of all applicable securities regulatory authorities in connection with the Transaction. The Parties acknowledge that a copy of this Agreement will be filed by the Acquiror on SEDAR pursuant to applicable Securities Laws.

20.13. Neither this Agreement nor any right or obligation hereunder shall be assignable by any Party hereto without the prior written consent of the other parties hereto, which consent may be arbitrarily withheld.

20.14. Until immediately after the Time of Closing, and, if the Transaction is not completed, at all times thereafter, each of the Parties hereto will keep confidential and refrain from using all documents and information obtained by it (or their respective auditors or attorneys) in connection with the Transaction relating to any other Party hereto, provided however, that such obligation shall not apply to any information which was in the public domain at the time of its

disclosure to a Party or which subsequently comes into the public domain other than as a result of a breach of such receiving Party's obligations under this Section 20.14. For greater certainty, nothing contained herein shall prevent any disclosure of information which may be required pursuant to Applicable Laws or pursuant to an order in judicial or administrative proceedings or any other order made by any Governmental Entity.

20.15. The Corporation and the Acquiror shall co-operate with the other in releasing information concerning this Agreement and the Transactions contemplated herein, and shall furnish to and discuss with the other drafts of all press and other releases prior to publication. No press release or other public announcement concerning the proposed Transactions contemplated by this Agreement will be made by any Party hereto without the prior consent of the Corporation and the Acquiror, such consent not to be unreasonably withheld or delayed; provided that nothing contained herein shall prevent any Party hereto at any time from furnishing any information to any Governmental Entity or to the public if so required by the CSE or Applicable Law.

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

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

ZARA RESOURCES INC

By: *"Kenneth Cotiamco"*
Name: Kenneth Cotiamco
Title: Interim CEO and Director

BLACKLIST HOLDINGS, INC.

By: *"John P. Gorst"*
Name: John P. Gorst
Title: CEO

BLACKLIST FINCO INC.

By: *"John P. Gorst"*
Name: John P. Gorst
Title: President

1185699 B.C. LTD.

By: *"Kenneth Cotiamco"*
Name: Kenneth Cotiamco
Title: President

[Signature pages of the Securityholders follows.]

CORPORATION SHAREHOLDERS

[redacted] _____
Name of corporation Shareholder [Please Print]

[redacted] _____
Signature of Corporation Shareholder

[redacted] _____
Name of corporation Shareholder [Please Print]

[redacted] _____
Signature of Corporation Shareholder

[redacted] _____
Name of corporation Shareholder [Please Print]

[redacted] _____
Signature of Corporation Shareholder

[redacted] _____
Name of corporation Shareholder [Please Print]

[redacted] _____
Signature of Corporation Shareholder

[redacted] _____
Name of corporation Shareholder [Please Print]

[redacted] _____
Signature of Corporation Shareholder

[redacted] _____
Name of corporation Shareholder [Please Print]

[redacted] _____
Signature of Corporation Shareholder

[redacted] _____
Name of corporation Shareholder [Please Print]

[redacted] _____
Signature of Corporation Shareholder

[redacted] _____
Name of corporation Shareholder [Please Print]

[redacted] _____
Signature of Corporation Shareholder

[redacted] _____
Name of corporation Shareholder [Please Print]

[redacted] _____
Signature of Corporation Shareholder

[redacted] _____
Name of corporation Shareholder [Please Print]

[redacted] _____
Signature of Corporation Shareholder

[redacted] _____
Name of corporation Shareholder [Please Print]

[redacted] _____
Signature of Corporation Shareholder

[redacted] _____
Name of corporation Shareholder [Please Print]

[redacted] _____
Signature of Corporation Shareholder

[redacted] _____
Name of corporation Shareholder [Please Print]

[redacted] _____
Signature of Corporation Shareholder

[redacted] _____
Name of corporation Shareholder [Please Print]

[redacted] _____
Signature of Corporation Shareholder

[redacted] _____
Name of corporation Shareholder [Please Print]

[redacted] _____
Signature of Corporation Shareholder

[redacted] _____
Name of corporation Shareholder [Please Print]

[redacted] _____
Signature of Corporation Shareholder

[redacted] _____
Name of corporation Shareholder [Please Print]

[redacted] _____
Signature of Corporation Shareholder

[redacted]

By: [redacted] _____

[redacted] _____
Name and Title (please print)

SCHEDULE "A"

SHAREHOLDERS OF THE CORPORATION

Name and Address of Corporation Shareholder	Number of Shares
[redacted]	4,145,188
[redacted]	2,338,596
[redacted]	3,732,153
[redacted]	17,049,641
[redacted]	5,248,176
[redacted]	17,129,641
[redacted]	487,745
[redacted]	487,745
[redacted]	497,499

[redacted]	318,750
[redacted]	20,000
[redacted]	59,107
[redacted]	60,000
[redacted]	500,000
[redacted]	1,000
[redacted]	160,000
[redacted]	16,000
[redacted]	2,000,000
TOTAL	**54,251,241**

SCHEDULE "B"

DEBENTUREHOLDERS OF THE CORPORATION

Name and Address of Debenturetholder	Principal Amount of Debentures	Conversion Price of Debentures	Number of Corporation Shares issuable upon Conversion of Debenture
[redacted]	$ 183,750.00	$0.035	5,250,000
[redacted]	$ 183,750.00	$0.035	5,250,000
[redacted]	$ 45,937.50	$0.035	1,312,500
[redacted]	$ 45,937.50	$0.035	1,312,500
[redacted]	$ 275,625.00	$0.035	7,875,000
[redacted]	$ 30,000.00	$0.25	120,000
[redacted]	$ 12,500.00	$0.25	50,000
[redacted]	$ 6,500.00	$0.25	26,000
[redacted]	$ 1,000.00	$0.25	4,000
[redacted]	$ 7,500.00	$0.25	30,000

[redacted]			
[redacted]	$ 37,500.00	$0.25	150,000
[redacted]	$ 25,000.00	$0.25	100,000
[redacted]	$ 25,000.00	$0.25	100,000
[redacted]	$ 5,000.00	$0.25	20,000
[redacted]	$ 10,000.00	$0.25	40,000
[redacted]	$ 7,500.00	$0.25	30,000
[redacted]	$ 25,000.00	$0.25	100,000
[redacted]	$ 17,500.00	$0.25	70,000
[redacted]	$ 25,000.00	$0.25	100,000
[redacted]	$ 30,000.00	$0.25	120,000
[redacted]	$ 4,400.00	$0.25	17,600
[redacted]	$ 25,000.00	$0.25	100,000
[redacted]	$ 10,000.00	$0.25	40,000

[redacted]			
[redacted]	$ 50,000.00	$0.25	200,000
[redacted]	$ 25,000.00	$0.25	100,000
[redacted]	$ 25,000.00	$0.25	100,000
[redacted]	$ 17,500.00	$0.25	70,000
[redacted]	$ 15,000.00	$0.25	60,000
[redacted]	$ 8,770.00	$0.25	35,080
[redacted]	$ 30,000.00	$0.25	120,000
[redacted]	$ 37,500.00	$0.25	150,000
[redacted]	$ 15,000.00	$0.25	60,000
[redacted]	$ 50,000.00	$0.25	200,000
[redacted]	$ 7,500.00	$0.25	30,000
[redacted]	$ 25,000.00	$0.25	100,000
[redacted]	$ 100,000.00	$0.25	400,000
[redacted]	$ 50,000.00	$0.25	200,000
[redacted]	$ 10,000.00	$0.25	40,000

[redacted]			
[redacted]	$ 8,770.00	$0.25	35,080
[redacted]	$ 17,540.00	$0.25	70,160
[redacted]	$ 12,500.00	$0.25	50,000
[redacted]	$ 12,500.00	$0.25	50,000
[redacted]	$ 5,000.00	$0.25	20,000
[redacted]	$ 12,500.00	$0.25	50,000
[redacted]	$ 12,500.00	$0.25	50,000
[redacted]	$ 250,000.00	$0.25	1,000,000
[redacted]	$ 50,000.00	$0.25	200,000
[redacted]	$ 5,000.00	$0.25	20,000
[redacted]	$ 43,020.00	$0.25	172,080
[redacted]	$ 32,500.00	$0.25	130,000
[redacted]	$ 32,500.00	$0.25	130,000
[redacted]	$ 100,000.00	$0.40	250,000

[redacted]			
[redacted]	$ 140,000.00	$0.40	350,000
[redacted]	$ 200,000.00	$0.40	500,000
[redacted]	$ 100,000.00	$0.40	250,000
[redacted]	$ 250,000.00	$0.40	625,000
[redacted]	$ 100,000.00	$0.40	250,000
[redacted]	$ 240,000.00	$0.40	600,000
[redacted]	$ 60,000.00	$0.40	150,000
[redacted]	$ 60,000.00	$0.40	150,000
[redacted]	$50,000.00	$0.50	100,000
[redacted]	$500,000.00	$0.50	1,000,000
[redacted]	$300,000.00	$0.50	600,000
[redacted]	$125,000.00	$0.50	250,000
[redacted]	$75,000.00	$0.50	150,000
[redacted]	$100,000.00	$0.50	200,000

[redacted]	$39,660.00	$0.50	79,320
[redacted]	$132,200.00	$0.50	264,400
[redacted]	$26,440.00	$0.50	52,880
[redacted]	$19,830.00	$0.50	39,660
[redacted]	$18,578.00	$0.50	37,156
[redacted]	$132,700.00	$0.50	265,400
[redacted]	$50,000.00	$0.50	100,000
[redacted]	$100,000.00	$0.50	200,000
[redacted]	$50,000.00	$0.50	100,000

SCHEDULE "C"

CORPORATION SECURITYHOLDER CONSENT AGREEMENT

[See Following Page]

SECURITYHOLDER CONSENT AGREEMENT

THIS AGREEMENT MADE EFFECTIVE AS OF _____, 2018 (the "**Agreement**").

BETWEEN:

ZARA RESOURCES INC.,
a corporation existing under the laws of British Columbia

(the "**Purchaser**")

AND:

BLACKLIST HOLDINGS, INC.
a Washington Corporation

(the "**Corporation"**)

AND:

THE BLACKLIST SECURITYHOLDERS who have executed this Agreement

(individually a "**Securityholder**" and collectively the "**Securityholders**")

WHEREAS:

A. The Purchaser, the Corporation, all of the Corporation's shareholders and certain other parties have entered into a Share Exchange Agreement dated _____, 2018 (the "**Share Exchange Agreement**") that provides for the exchange of all of the outstanding shares of the Corporation's common stock (the "**Common Shares**"), including Common Shares to be received by Securityholders upon the conversion of the Debentures issued by the Corporation;

B. Pursuant to the Share Exchange Agreement all persons who own Common Shares, Debentures or other securities convertible into Common Shares both directly or beneficially are also required to execute this Agreement prior to the completion of the transactions contemplated under the Share Exchange Agreement, which among other things will result in all of the outstanding Common Shares being exchanged for common shares of the Purchaser (the "**Purchaser Shares**") on a one-for-one basis; and

C. The Securityholder has agreed to provide such consent and to be bound by the terms of the Share Exchange Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto do covenant and agree each with the other as follows:

1. Unless specifically defined herein or unless the context otherwise requires, terms used herein shall have the meanings ascribed to such terms in the Share Exchange Agreement.

2. On the execution of this Agreement by a Securityholder, such Securityholder covenants and agrees that it shall be bound by all of the provisions of the Share Exchange Agreement as if such Securityholder were an original party to the Share Exchange Agreement including, without limitation, all representations, warranties and covenants of the Securityholders.

3. For greater clarity, each Securityholder under this Agreement who owns Debentures will only have the right to receive Purchaser Shares under the Share Exchange Agreement upon the successful conversion of their respective Debentures in accordance with the terms of the Debenture Certificate.

4. This Agreement shall be subject to, governed by, and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein, and the parties hereby agree to attorn to the exclusive jurisdiction of the Courts of British Columbia and not to commence any form of proceedings in any other forum.

6. This Agreement may be signed by fax and in counterpart, and each copy so signed shall be deemed to be an original, and all such counterparts together shall constitute one and the same instrument.

7. EACH SECURITYHOLDER ACKNOWLEDGES, CONFIRMS AND AGREES THAT HE, SHE OR IT HAS HAD THE OPPORTUNITY TO SEEK AND WAS NOT PREVENTED OR DISCOURAGED BY ANY PARTY HERETO FROM SEEKING INDEPENDENT LEGAL ADVICE PRIOR TO THE EXECUTION AND DELIVERY OF THIS AGREEMENT AND THAT, IN THE EVENT THAT ANY SECURITYHOLDER DID NOT AVAIL HIMSELF/HERSELF/ITSELF WITH THAT OPPORTUNITY PRIOR TO SIGNING THIS AGREEMENT, SUCH SECURITYHOLDER DID SO VOLUNTARILY WITHOUT ANY UNDUE PRESSURE AND AGREES THAT SUCH SECURITYHOLDER'S FAILURE TO OBTAIN INDEPENDENT LEGAL ADVICE SHALL NOT BE USED BY HIM/HER/IT AS A DEFENCE TO THE ENFORCEMENT OF HIS/HER/ITS OBLIGATIONS UNDER THIS AGREEMENT.

[Signature page follows]

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

ZARA RESOURCES INC.

Per: _____

BLACKLIST HOLDINGS, INC.

Per: _____

AND THE FOLLOWING SECURITYHOLDER:

To be executed by the beneficial holder of the Debenture (or other securities of the Corporation)

If a corporation, partnership or other entity:

_____
Signature of Authorized Signatory

_____
Name and Position of Signatory

_____
Name of Entity

If an Individual:

_____
Signature

_____
Print Name

To be executed by the registered holder of the Debenture (or other securities of the Corporation) (if different than the beneficial holder above)

If a corporation, partnership or other entity:

_____
Signature of Authorized Signatory

_____
Name and Position of Signatory

_____
Name of Entity

If an Individual:

_____
Signature

_____
Print Name

Principal Amount of Debentures, or number of other securities owned by Securityholder:

_____

Address of Securityholder: _____

_____

_____

SCHEDULE "D"

U.S. REPRESENTATION LETTER FOR U.S. SECURITYHOLDERS

[See Following Page]

TO: ZARA RESOURCES INC. ("ZARA")

RE: ACQUISITION OF SECURITIES OF ZARA PURSUANT TO SHARE EXCHANGE AGREEMENT (the "Securities")

Capitalized terms not specifically defined in this certification have the meaning ascribed to them in the Share Exchange Agreement to which this Schedule is attached. In the event of a conflict between the terms of this certification and such Share Exchange Agreement, the terms of this certification shall prevail.

In addition to the covenants, representations and warranties contained in the Share Exchange Agreement to which this Schedule is attached, the undersigned (the "**U.S. Securityholder**") covenants, represents and warrants to Zara that:

(a) It has such knowledge, skill and experience in financial, investment and business matters as to be capable of evaluating the merits and risks of an investment in the Securities and it is able to bear the economic risk of loss of its entire investment in the Securities. To the extent necessary, the U.S. Securityholder has retained, at his or her own expense, and relied upon, its own professional advice regarding the investment, Tax and legal merits and consequences of acquiring and holding the Securities under the terms of the Share Exchange Agreement.

(b) Zara has provided to it the opportunity to ask questions and receive answers concerning the terms and conditions of the acquisition of the Securities and it has had access to such information concerning Zara as it has considered necessary or appropriate in connection with its investment decision to acquire the Securities, including Zara's confidential placement memorandum dated December [●], 2018, and access to Zara's public filings available on the Internet at www.sedar.com, and that any answers to questions and any request for information have been complied with to the U.S. Securityholder's satisfaction.

(c) It is acquiring the Securities for its own account, for investment purposes only and not with a view to any resale or distribution and, in particular, it has no intention to distribute either directly or indirectly the Securities in the United States or to, or for the account or benefit of, a person in the United States; provided, however, that this paragraph shall not restrict the U.S. Securityholder from selling or otherwise disposing of the Securities pursuant to registration thereof under the U.S. Securities Act and any applicable state securities laws or under an exemption from such registration requirements.

(d) The address of the U.S. Securityholder set out in the signature block below is the true and correct principal address of the U.S. Securityholder and can be relied on by ZARA for the purposes of state blue-sky laws and the U.S. Securityholder has not been formed for the specific purpose of purchasing the Securities.

(e) It understands (i) the Securities have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States; and (ii) the offer and sale contemplated hereby is being made in reliance on an exemption from such registration requirements in reliance on Section 4(a)(2) and/or Rule 506(b) of Regulation D of the U.S. Securities Act.

(f) The U.S. Securityholder is

(i) an "accredited investor" as defined in Rule 501(a) of Regulation D of the U.S. Securities Act by virtue of meeting one of the following criteria set forth in Appendix A hereto (please hand-write your initials on the appropriate lines on Appendix A), which Appendix A forms an integral part hereof; or

(ii) is not an "accredited investor" as defined in Rule 501(a) of Regulation D of the U.S. Securities Act, and has completed Appendix B hereto, which forms an integral part hereof.

(g) The U.S. Securityholder has not acquired the Securities as a result of any form of "general solicitation" or "general advertising" (as those terms are used in Regulation D under the U.S. Securities Act), including advertisements, articles, press releases, notices or other communications published in any newspaper, magazine or similar media or on the Internet, or broadcast over radio or television, or the Internet or other form of telecommunications, including electronic display, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.

(h) It acknowledges that the Securities will be "restricted securities", as such term is defined in Rule 144(a)(3) under the U.S. Securities Act, and may not be offered, sold, pledged, or otherwise transferred, directly or indirectly, without prior registration under the U.S. Securities Act and applicable state securities laws, and it agrees that if it decides to offer, sell, pledge or otherwise transfer, directly or indirectly, any of the Securities, it will not offer, sell or otherwise transfer, directly or indirectly, the Securities except:

(i) to Zara;

(ii) outside the United States in an "offshore transactions" meeting the requirements of either Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act, if available, and in compliance with applicable local laws and regulations; or

(iii) pursuant to an effective registration statement under the U.S. Securities Act and in compliance with any applicable state securities laws in the United States or securities laws of any applicable jurisdiction; or

(iv) pursuant to the exemption from the registration requirements under the U.S. Securities Act provided by Rule 144A thereunder to a person reasonably believed to be a "Qualified Institutional Buyer" (as defined in Rule 144A) that is purchasing for its own account or the account of one or more Qualified Institutional Buyers and to whom notice is given that the transfer is being made in reliance upon Rule 144A, and in accordance with any applicable state securities or "Blue Sky" laws;

(v) in a transaction that does not require registration under the U.S. Securities Act or any applicable state securities laws governing the offer and sale of securities,

and, in the case of (v) above, it has prior to such sale furnished to Zara and opinion of counsel in form and substance reasonably satisfactory to Zara stating that such transaction is exempt from registration under applicable securities laws and that the legend referred to in paragraph (k) below may be removed.

(i) It understands and agrees that the Securities may not be acquired in the United States or on behalf of, or for the account or benefit of, a person in the United States unless such Securities are registered under the U.S. Securities Act and any applicable state securities laws or unless an exemption from such registration requirements is available.

(j) It acknowledges that it has not purchased the Securities as a result of, and will not itself engage in, any "directed selling efforts" (as defined in Regulation S under the U.S. Securities Act) in the United States in respect of the Securities which would include any activities undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the resale of the Securities.

(k) The certificates representing the Securities issued hereunder, as well as all certificates issued in exchange for or in substitution of the foregoing, until such time as the same is no longer required under the applicable requirements of the U.S. Securities Act or applicable state securities laws and regulations, will bear, on the face of such certificate, the following legend:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE ISSUER THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE ISSUER, (B) OUTSIDE OF THE UNITED STATES IN ACCORDANCE WITH RULES 903 OR 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT AND IS AVAILABLE FOR RESALE OF THE SECURITIES, OR (D) IN ACCORDANCE WITH (1) RULE 144A UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, OR (2) ANOTHER AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT, IN THE CASE OF (D)(2) ABOVE OR IF OTHERWISE REQUIRED BY THE ISSUER, AN OPINION OF COUNSEL OF RECOGNIZED STANDING REASONABLY SATISFACTORY TO THE ISSUER, IS PROVIDED. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE GOOD DELIVERY IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."

provided, that if the Securities are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S in circumstances where Rule 905 of Regulation S does not apply, and in compliance with Canadian local laws and regulations, the legend set forth above may be removed by providing an executed declaration to the registrar and transfer agent of Zara, in substantially the form set forth as Appendix C attached hereto (or in such other forms as Zara may prescribe from time to time) and, if requested by Zara or the transfer agent, an opinion of counsel of recognized standing in form and substance reasonably satisfactory to Zara and the transfer agent to the effect that such sale is being made in compliance with Rule 904 of Regulation S;

provided, further, that, if any Securities are being sold otherwise than in accordance with Regulation S, an effective registration statement registering the sale of such Securities under the U.S. Securities Act, or to Zara, the legend may be removed by delivery to the registrar and transfer agent and Zara of an opinion of counsel, of recognized standing reasonably satisfactory to Zara, that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws.

(l) It understands and agrees that there may be material Tax consequences to the U.S. Securityholder of an acquisition, holding or disposition of any of the Securities. Zara gives no opinion and makes no representation with respect to the Tax consequences to the U.S. Securityholder under United States federal, state, local or foreign Tax law of the undersigned's acquisition, holding or disposition of such Securities. In particular, no determination has been made whether Zara has been a "passive foreign investment company" within the meaning of Section 1297 of the Code.

(m) It consents to Zara making a notation on its records or giving instructions to any transfer agent of Zara in order to implement the restrictions on transfer set forth and described in this certification and the Share Exchange Agreement.

(n) It understands that (i) Zara may be deemed to be an issuer that is, or that has been at any time previously, an issuer with no or nominal operations and no or nominal assets other than cash and cash equivalents (a "**Shell Company**"), (ii) if Zara is deemed to be, or to have been at any time previously, a Shell Company, Rule 144 under the U.S. Securities Act may not be available for resales of the Securities, and (iii) Zara is not obligated to make Rule 144 under the U.S. Securities Act available for resales of the Securities.

(o) It understands and agrees that the financial statements of Zara have been prepared in accordance with IFRS and therefore may be materially different from financial statements prepared under U.S. generally accepted accounting principles and therefore may not be comparable to financial statements of United States companies.

(p) It understands and acknowledges that Zara is incorporated outside the United States, consequently, it may be difficult to provide service of process on Zara and it may be difficult to enforce any judgment against Zara.

(q) It understands that Zara does not have any obligation to register the Securities under the U.S. Securities Act or any applicable state securities or "blue-sky" laws or to take action so as to permit resales of the Securities. Accordingly, the U.S. Securityholder understands that absent registration, it may be required to hold the Securities indefinitely. As a consequence, the U.S. Securityholder understands it must bear the economic risks of the investment in the Securities for an indefinite period of time.

The foregoing representations contained in this certificate are true and accurate as of the date of this certificate and will be true and accurate as of the Time of Closing. If any such representations shall not be true and accurate prior to the Time of Closing, the undersigned shall give immediate written notice of such fact to Zara prior to the Time of Closing.

ONLY U.S. SECURITYHOLDERS NEED COMPLETE AND SIGN

Dated _____ 2018.

X _____
Signature of individual (if U.S. Securityholder is an individual)

X _____
Authorized signatory (if U.S. Securityholder is **not** an individual)

_____
Name of U.S. Securityholder (**please print**)

_____
Address of U.S. Securityholder (**please print**)

_____
Name of authorized signatory (**please print**)

_____
Official capacity of authorized signatory (**please print**)

Appendix "A" to

U.S. Representation Letter for U.S. Securityholders

To be completed by U.S. Securityholders that are U.S. Accredited Investors

In addition to the covenants, representations and warranties contained in the Share Exchange Agreement and the Schedule "D" to which this Appendix is attached, the undersigned (the "**U.S. Securityholder**") covenants, represents and warrants to Zara that the U.S. Securityholder is an "accredited investor" as defined in Rule 501(a) of Regulation D of the U.S. Securities Act by virtue of meeting one of the following criteria (**please hand-write your initials on the appropriate lines**):

1. Initials _____ Any bank as defined in Section 3(a)(2) of the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the U.S. Securities Act whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the U.S. Securities Exchange Act of 1934; any insurance company as defined in Section 2(a)(13) of the U.S. Securities Act; any investment company registered under the U.S. Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of that Act; any Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the U.S. Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of US$5,000,000; any employee benefit plan within the meaning of the U.S. *Employee Retirement Income Security Act of 1974* if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of US$5,000,000, or, if a self-directed plan, with investment decisions made solely by persons that are "accredited investors" (as such term is defined in Rule 501 of Regulation D of the U.S. Securities Act);

2. Initials _____ Any private business development company as defined in Section 202(a)(22) of the U.S. *Investment Advisers Act of 1940*;

3. Initials _____ Any organization described in Section 501(c)(3) of the U.S. *Internal Revenue Code*, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of

US$5,000,000;

4. Initials _____ Any trust with total assets in excess of US$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person (being defined as a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of the prospective investment);

5. Initials _____ A natural person whose individual net worth, or joint net worth with that person's spouse, at the time of purchase, exceeds US$1,000,000 (for the purposes of calculating net worth,

(i) the person's primary residence shall not be included as an asset;

(ii) indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of this certification, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of this certification exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and

(iii) indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence shall be included as a liability);

6. Initials _____ A natural person who had annual gross income during each of the last two full calendar years in excess of US$200,000 (or together with his or her spouse in excess of US$300,000) and reasonably expects to have annual gross income in excess of US$200,000 (or together with his or her spouse in excess of US$300,000) during the current calendar year, and no reason to believe that his or her annual gross income will not remain in excess of US$200,000 (or that together with his or her spouse will not remain in excess of US$300,000) for the foreseeable future;

7. Initials _____ Any director or executive officer of Zara; or

8. Initials _____ Any entity in which all of the equity owners meet the requirements of at least one of the above categories – if this category is selected you must identify each equity owner on Annex "I" to this Appendix A and provide statements from each demonstrating how they qualify as an accredited investor.

ONLY U.S. SECURITYHOLDERS WHO ARE ACCREDITED INVESTORS NEED TO COMPLETE AND SIGN

Dated _____ 2018.

X _____
Signature of individual (if U.S. Securityholder is an individual)

X _____
Authorized signatory (if U.S. Securityholder is **not** an individual)

_____
Name of U.S. Securityholder (**please print**)

_____
Address of U.S. Securityholder (**please print**)

_____
Name of authorized signatory (**please print**)

_____
Official capacity of authorized signatory (**please print**)

APPENDIX I TO APPENDIX A

INVESTOR OWNERSHIP INFORMATION

Name of All Equity Owners	Net Worth Exceeds $1,000,000	Income Exceeds $200,000 (individually) or $300,000 (jointly)	Employee Benefit Plan with Assets in Excess of $5,000,000	Business Entity with Assets in Excess of $5,000,000	Trust with Assets in Excess of $5,000,000
_____	(___)	(___)	(___)	(___)	(___)
_____	(___)	(___)	(___)	(___)	(___)
_____	(___)	(___)	(___)	(___)	(___)
_____	(___)	(___)	(___)	(___)	(___)
_____	(___)	(___)	(___)	(___)	(___)
_____	(___)	(___)	(___)	(___)	(___)
_____	(___)	(___)	(___)	(___)	(___)
_____	(___)	(___)	(___)	(___)	(___)

Appendix "B" to

U.S. Representation Letter for U.S. Securityholders

To be completed by U.S. Securityholders that are not U.S. Accredited Investors

In addition to the covenants, representations and warranties contained in the Share Exchange Agreement and the Schedule "D" to which this Appendix is attached, the undersigned (the "**U.S. Securityholder**") covenants, represents and warrants to Zara Resources Inc. (also referred to herein as "**Zara**") that the U.S. Securityholder understands that Zara's common shares being offered to the U.S. Securityholder pursuant the terms of the Share Exchange Agreement (the "**Securities**") have not been and will not be registered under the U.S. Securities Act and that the offer and sale of the Securities to the U.S. Securityholder contemplated by the Share Exchange Agreement is intended to be a private offering pursuant to Section 4(a)(2) and/or Rule 506(b) of the U.S. Securities Act.

Your answers will at all times be kept strictly confidential. However, by signing this suitability questionnaire (the "**Questionnaire**") the U.S. Securityholder agrees that Zara may present this Questionnaire to such parties as may be appropriate if called upon to verify the information provided or to establish the availability of an exemption from registration of the private offering under the federal or state securities laws or if the contents are relevant to issue in any action, suit or proceeding to which Zara is a party or by which it is or may be bound. A false statement by the U.S. Securityholder may constitute a violation of law, for which a claim for damages may be made against the U.S. Securityholder. Otherwise, your answers to this Questionnaire will be kept strictly confidential.

Please complete the following questionnaire:

1. Relationship to the Officers of Directors

Are you a relative of a director, senior officer or control person of Zara:	**Yes:** _____ **No:** _____
If yes, state the name of the director, senior officer or control person of Zara	_____
If yes, state the relationship to the director, senior officer or control person of Zara	_____

2. Close Friend of Officer or Director

Are you a close friend of a director, senior officer or control person of Zara:	**Yes:** _____ **No:** _____

If yes, state the name of the director, senior officer or control person of Zara	_____
If yes, state how long you have known the director, senior officer or control person of Zara	_____

A close personal friend is an individual who has known the director, senior officer or control person for a sufficient period of time to be in a position to assess the capabilities and trustworthiness of the director, senior officer or control person. An individual is not a close personal friend solely because the individual is a member of the same organization, association or religious group.

3. Close Business Associate of an Officer or Director

Are you a close business associate of a director, senior officer or control person of Zara:	**Yes:** _____ **No:** _____
If yes, state the name of the director, senior officer or control person of Zara	_____
If yes, describe your business relationship with the director, senior officer or control person of Zara	_____

A close business associate is an individual who has had sufficient prior business dealings with the director, senior officer or control person to be in a position to assess the capabilities and trustworthiness of the director, senior officer or control person. A casual business associate or a person introduced or solicited for the purpose of purchasing securities is not a close business associate. An individual is not a close business associate solely because the individual is a client or former client. For example, an individual is not a close business associate of a registrant or former registrant solely because the individual is a client or former client of that registrant or former registrant. The relationship between the individual and the director, senior officer or control person must be direct. For example, the exemption is not available for a close business associate of a close business associate of a director, senior officer or control person.

4. Income

"**income**" shall mean adjusted gross income as reported for federal Tax purposes reduced by (a) any deduction for long term capital gain, (b) any deduction for depletion, (c) any exclusion for interest and (d) any losses allocated to the U.S. Securityholder as an individual

(a) Was your annual income for the calendar year ended December 31, 2017 over US$150,000?

Yes _____ No _____

(b) Was your annual income for the calendar year ended December 31, 2016 over $150,000?

Yes _____ No _____

(c) Do you anticipate that your annual income for the year ended December 31, 2018 will be over $150,000?

Yes _____ No _____

(d) Do you anticipate that your current amount of income will change in the foreseeable future?

Yes _____ No _____

If so, when, why and to what amount will that income change?

_____

_____

(e) If your responses to questions 4(a) through 4(c) were "No," please provide your annual income for the calendar years ending December 31, 2017 and December 31, 2016.

December 31, 2017: $_____

December 31, 2016: $_____

(f) If your responses to questions 4(a) through 4(c) were "No" please provide your joint annual income with your spouse for the calendar years ending December 31, 2017 and December 31, 2016.

December 31, 2017: $_____

December 31, 2016: $_____

5. Net Worth

(a) Please provide your net worth (for the purposes of calculating net worth: (i) your primary residence shall not be included as an asset; (ii) indebtedness that is secured by your primary residence, up to the estimated fair market value of the primary residence at the time of the sale and purchase of Securities contemplated by the accompanying Share Exchange Agreement, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of the sale and purchase of the Securities contemplated by the accompanying Share Exchange Agreement exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the

primary residence, the amount of such excess shall be included as a liability); and (iii) indebtedness that is secured by your primary residence in excess of the estimated fair market value of the primary residence shall be included as a liability)

Net Worth: $

(b) Does your proposed purchase of the Securities exceed:

____ 10% of your net worth (excluding your personal residence, home furnishings and automobiles)?

____ 20% of your net worth (excluding your personal residence, home furnishings and automobiles)?

6. Educational Background

(a) Briefly describe educational background, relevant institutions attended, dates, degrees:

(b) Briefly describe business involvement or employment during the past 10 years or since graduation from school, whichever period is shorter. (Specific employers need not be named. A sufficient description is needed to assist the Company in determining the extent of vocationally related experience in financial and business matters).

_____

_____

_____

_____

_____

7. Investment experience

(a) Please indicate the frequency of your investment in marketable securities:

( ) Often; ( ) Occasionally; ( ) Seldom; ( ) Never.

(b) Please indicate the frequency of your investment in commodities futures:

( ) Often; ( ) Occasionally; ( ) Seldom; ( ) Never.

(c) Please indicate the frequency of your investment in options:

( ) Often; ( ) Occasionally; ( ) Seldom; ( ) Never.

(d) Please indicate the frequency of your investment in securities purchased on margin:

( ) Often; ( ) Occasionally; ( ) Seldom; ( ) Never.

(e) Please indicate the frequency of your investment in unmarketable securities;

( ) Often; ( ) Occasionally; ( ) Seldom; ( ) Never.

(f) Have your purchased securities sold in reliance on the private offering exemptions from registration pursuant to the U.S. Securities Act or any state laws during the past three years?

Yes _____ No _____

If you answered "Yes," please provide the following information:

Year	Nature of Security	Business of Issuer	Total amount invested

(g) Do you believe you have sufficient knowledge and experience in financial and business affairs that you can evaluate the merits and risks of a purchase of the Securities?

Yes _____ No _____

(h) Do you believe you have sufficient knowledge of investments in general, and investments similar to a purchase of the Securities in particular, to evaluate the risks associated with a purchase of the Securities?

Yes _____ No _____

You hereby acknowledge that the foregoing statements are true and accurate to the best of your information and belief and that you will promptly notify the Company of any changes in the foregoing answers.

ONLY U.S. SECURITYHOLDERS WHO ARE NOT ACCREDITED INVESTORS NEED TO COMPLETE AND SIGN

Dated _____ 2018.

X _____
Signature of individual (if U.S. Securityholder is an individual)

X _____
Authorized signatory (if U.S. Securityholder is **not** an individual)

_____
Name of U.S. Securityholder (**please print**)

_____
Address of U.S. Securityholder (**please print**)

_____
Name of authorized signatory (**please print**)

_____
Official capacity of authorized signatory (**please print**)

Appendix "C" to U.S. Representation Letter for U.S. Securityholders

Form of Declaration for Removal of Legend

TO: ZARA RESOURCES INC. (the "**Corporation**")

TO: Registrar and transfer agent for the shares of the Corporation

The undersigned (A) acknowledges that the sale of _____ (the "**Securities**") of the Corporation, represented by certificate number(s) _____, to which this declaration relates is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and (B) certifies that (1) the undersigned is not (a) an "affiliate" of the Corporation (as that term is defined in Rule 405 under the U.S. Securities Act, except any officer or director of the Company who is an affiliate solely by virtue of holding such position) (b) a "distributor" as defined in Regulation S or (c) an affiliate of a distributor; (2) the offer of such Securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States, or (b) the transaction was executed on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or another "designated offshore securities market", and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; (3) neither the seller nor any affiliate of the seller nor any person acting on their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such Securities; (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the Securities are "restricted securities" (as that term is defined in Rule 144(a)(3) under the U. S. Securities Act); (5) the seller does not intend to replace such Securities with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions, which, although in technical compliance with Regulation S, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

Dated _____ 2018.

X _____
Signature of individual (if Seller is an individual)

X _____
Authorized signatory (if Seller is **not** an individual)

_____
Name of Seller (**please print**)

_____
Name of authorized signatory (**please print**)

_____
Official capacity of authorized signatory

Affirmation by Seller's Broker-Dealer
(Required for sales pursuant to Section (B)(2)(b) above)

We have read the foregoing representations of our customer, _____ (the "**Seller**"), dated _____, 20____, with regard to the sale, for such Seller's account, of _____ common shares (the "**Securities**") of Zara Resources Inc. (the "**Corporation**") represented by certificate number(s) _____. We have executed sales of the Securities pursuant to Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), on behalf of the Seller. In that connection, we hereby represent to you as follows:

(1) no offer to sell Securities was made to a person in the United States;

(2) the sale of the Securities was executed in, on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or another "designated offshore securities market" (as defined in Rule 902(b) of Regulation S under the U.S. Securities Act), and, to the best of our knowledge, the sale was not pre-arranged with a buyer in the United States;

(3) no "directed selling efforts" were made in the United States by the undersigned, any affiliate of the undersigned, or any person acting on behalf of the undersigned; and

(4) we have done no more than execute the order or orders to sell the Securities as agent for the Seller and will receive no more than the usual and customary broker's commission that would be received by a person executing such transaction as agent.

For purposes of these representations: "affiliate" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the undersigned; "directed selling efforts" means any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the Securities (including, but not be limited to, the solicitation of offers to purchase the Securities from persons in the United States); and "United States" means the United States of America, its territories or possessions, any State of the United States, and the District of Columbia.

Legal counsel to the Corporation shall be entitled to rely upon the representations, warranties and covenants contained herein to the same extent as if this affirmation had been addressed to them.

_____
Name of Firm

By: _____
Authorized Officer

Dated: _____ 20_____.

SCHEDULE "E"

ACQUIROR MATERIAL CONTRACTS

None.

SCHEDULE "F"

AMALGAMATION AGREEMENT

(attached)

AMALGAMATION AGREEMENT

THIS AGREEMENT is dated as of the 24th day of December, 2018,

BETWEEN:

ZARA RESOURCES INC., a corporation incorporated pursuant to the provisions of the *Business Corporations Act* (British Columbia)

(hereinafter referred to as "**Acquiror**")

OF THE FIRST PART;

- and -

1185669 B.C. LTD., a corporation incorporated pursuant to the provisions of the *Business Corporations Act* (British Columbia)

(hereinafter referred to as "**Zara Subco**")

OF THE SECOND PART;

- and -

BLACKLIST FINCO INC., a corporation incorporated pursuant to the provisions of the *Business Corporations Act* (British Columbia)

(hereinafter referred to as "**Finco**")

OF THE THIRD PART.

WHEREAS Zara Subco and Finco wish to amalgamate and continue as one corporation to be known as "Blacklist Finco Inc." in accordance with the terms and conditions hereof;

AND WHEREAS Zara Subco is a wholly-owned subsidiary of the Acquiror and has not carried on any active business;

AND WHEREAS Finco and the Acquiror are parties to the Share Exchange Agreement which contemplates that such amalgamation will occur in conjunction with the Share Exchange Agreement;

AND WHEREAS the parties have entered into this Agreement to provide for the matters referred to in the foregoing recitals and for other matters relating to the proposed amalgamation;

NOW THEREFORE THIS AGREEMENT WITNESSES that for and in consideration of the mutual covenants and agreements herein contained and other lawful and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. **Definitions.** In this Agreement (including the recitals hereto):

(a) "**Acquiror Warrants**" has the meaning given to such term in Section 13(e);

(b) "**Act**" means the *Business Corporations Act* (British Columbia) as from time to time amended or re-enacted;

(a) "**Agreement**" means this amalgamation agreement;

(b) "**Amalco**" means the continuing corporation constituted upon the amalgamation of the Amalgamating Parties pursuant to the Amalgamation;

(c) "**Amalco Shares**" means the common shares in the capital of Amalco;

(d) "**Amalgamating Parties**" means, collectively, Finco and Zara Subco;

(e) "**Amalgamation**" means the amalgamation of Finco and Zara Subco on the terms and conditions set forth in this Agreement;

(f) "**Amalgamation Application**" means, collectively a (i) Form 13 Amalgamation Application without court approval together with the signatures of the authorized signatories of each of Finco and Subco (including the form of Notice of Articles of Amalco attached thereto), in the form attached hereto as Schedule "A", (ii) a statutory declaration of an officer or director of each of Finco and Subco, (iii) a covering letter to Registrar for an application for amalgamation, if applicable, and (iv) the applicable filing fee payable to the Minister of Finance;

(g) "**Amalgamation Effective Time**" means the time on the Effective Date specified in the Share Exchange Agreement at which the Amalgamation is to become effective;

(h) "**Corporation**" means Blacklist Holdings, Inc., a corporation existing under the laws of the State of Washington;

(i) "**Business Day**" means a day other than a Saturday, Sunday or a civic or statutory holiday in the City of Vancouver, British Columbia;

(j) "**Certificate of Amalgamation**" means the certificate of amalgamation to be issued by the Registrar under section 281(a) of the Act giving effect to the Amalgamation;

(k) "**Acquiror Shares**" means the common shares in the capital of the Acquiror and, for greater certainty, means the Acquior Shares, as defined in the Share Exchange Agreement;

(l) "**Effective Date**" means the effective date of the Amalgamation shown on the Certificate of Amalgamation;

(m) "**Finco Shareholder**" means a registered holder of Finco Shares immediately prior to the filing of the Amalgamation Application;

(n) "**Finco Shares**" means the common shares in the capital of Finco, as presently constituted on the date hereof;

(o) "**Finco Subscription Receipts**" means receipts representing the right of the holder thereof to receive, in certain circumstances set forth in the terms attached to the subscription receipts and as provided in the Subscription Receipt Agreement, one Finco Share without any further act or formality, and for no additional consideration;

(p) "**Finco Warrants**" means any outstanding warrants issued by Finco to certain finders in connection with the Private Placement;

(q) "**Original Securities**" has the meaning specified in Section 15(a);

(r) "**Paid-up Capital**" has the meaning assigned to the term "paid-up capital" in subsection 89(1) of the *Income Tax Act* (Canada));

(s) "**Private Placement**" means the private placement of Finco Subscription Receipts completed by Finco;

(t) "**Registrar**" means the Registrar of Companies of British Columbia or similar Governmental Entity;

(u) "**Replacement Securities**" has the meaning specified in Section 15(a);

(v) "**Share Exchange Agreement**" means the share exchange agreement dated December ____, 2018 between the Acquiror, Zara Subco, Finco, the Corporation, shareholders of the Corporation and certain others, as amended from time to time;

(w) "**Subscription Receipt Agreement**" means the Subscription Receipt Agreement among Finco and Odyssey Trust Company made as of November 26, 2018; and

(x) "**Zara Subco Shares**" means the common shares in the capital of Zara Subco.

2. **Certain Phrases, etc**. In this Agreement (i) the words "including", "includes" and "include" mean "including (or includes or include) without limitation", and (ii) the phrase "the aggregate of", "the total of", "the sum of", or a phrase of similar meaning means "the aggregate (or total or sum), without duplication, of". In the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

3. **Amalgamation**. The Amalgamating Parties hereby agree to amalgamate and continue as one corporation under the provisions of the Act effective as of the Effective Time upon and subject to the terms and conditions hereinafter set out.

4. **Effect of Amalgamation**. At the Effective Time, subject to the Act:

(a) the amalgamation of the Amalgamating Parties and their continuance as one corporation, Amalco, under the terms and conditions prescribed in this Agreement shall be effective;

(b) the property of each of the Amalgamating Parties shall continue to be the property of Amalco;

(c) Amalco will be a wholly-owned subsidiary of Acquiror;

(d) Amalco shall continue to be liable for the obligations of each of the Amalgamating Parties;

(e) any existing cause of action, claim or liability to prosecution with respect to either or both of the Amalgamating Parties shall be unaffected;

(f) any civil, criminal or administrative action or proceeding pending by or against any of the Amalgamating Parties may be continued to be prosecuted by or against Amalco;

(g) any conviction against, or ruling, order or judgment in favour of or against, any of the Amalgamating Parties may be enforced by or against Amalco; and

(h) the articles of Amalco shall be deemed to be the articles of incorporation of Amalco and the Certificate of Amalgamation shall be deemed to be the certificate of incorporation of Amalco.

5. **Name**. The name of Amalco shall be "Blacklist Finco Inc."

6. **Registered Office**. The registered office of Amalco shall be located at 2900 - 550 Burrard Street, Vancouver, V6C 0A3.

7. **Authorized Capital**. The authorized capital of Amalco shall consist of an unlimited number of Amalco Shares, which shares shall have the rights, privileges, restrictions and conditions as set out in the Act.

8. **Restrictions on Business**. There shall be no restrictions on the business which Amalco is authorized to carry on.

9. **Transfer Restrictions**. Securities of Amalco may not be transferred without the prior written consent of the directors of Amalco if and for so long as Amalco is not a public company.

10. **Articles**. The articles of Amalco shall be as set forth in Schedule B hereto, with such amendments thereto as Finco and the Acquiror may agree, acting reasonably.

11. **First Directors**. The number of directors of Amalco, until changed in accordance with the Articles of the Amalco, shall be one. The first director of Amalco shall be the Person whose name and addresse is set out below, who shall hold office until the first annual meeting of shareholders of Amalco or until their successors are duly elected or appointed and will be responsible for the subsequent management and operation of Amalco:

Name	**Address**
John Gorst	[redacted]

12. **Filing of Amalgamation Application.** Subject to the rights of termination contained in Section 27 hereof, upon satisfaction and/or waiver of all conditions precedent set forth in Section 25 hereof, Zara Subco and Finco shall jointly file with the Registrar the Amalgamation Application

and such other documents as are required to be filed under the Act to give effect to the Amalgamation, pursuant to provisions of the Act.

13. **Treatment of Issued Capital**. At the Effective Time:

(a) each one (1) issued and outstanding Zara Subco Share will be cancelled and replaced by one (1) issued and fully paid Amalco Share for each Zara Subco Share held by the Acquiror;

(b) the 10 Finco Shares held by the Corporation as of the date hereof will be surrendered for cancellation by the Corporation and such Finco Shares shall be cancelled and holders of the remaining issued and outstanding Finco Shares, being the Finco Shares issued upon conversion of the Finco Subscription Receipts upon the terms of the Subscription Receipt Agreement, shall receive from the Acquiror such number of fully paid Acquiror Shares as is equal to the number of Finco Shares so held;

(c) Finco Shares replaced by issued and fully paid Acquiror Shares in accordance with the provisions of Section 13(b) will be cancelled;

(d) in consideration of the issuance by the Acquiror of the Acquiror Shares pursuant to Section 13(b), Amalco shall issue to the Acquiror one fully paid and non-assessable Amalco Share for each Acquiror Share issued to former holders of Finco Shares; and

(e) each one (1) Finco Warrant outstanding immediately before the Effective Time shall be exchanged for one (1) warrant of the Acquiror (an "**Acquiror Warrant**") with such Acquiror Warrant having the same terms as the Finco Warrant for which it is being exchanged, except that each such Acquiror Warrant shall be exercisable for one (1) Acquiror Common Share, at which point such exchanged Agent's Warrant will be cancelled.

14. **No Fractional Shares or Options upon Conversion**. Notwithstanding Section 14 of this Agreement, no Finco Shareholder shall be entitled to, and the Acquiror will not issue, fractions of Acquiror Shares and no cash amount will be payable by the Acquiror in lieu thereof. To the extent any Finco Shareholder would otherwise be entitled to receive a fractional Acquiror Share, such fraction shall be rounded down to the closest whole number of the applicable security.

15. **Certificates**. On the Effective Date:

(a) the registered holders of Finco Shares (the "**Original Securities**") shall be deemed to be the registered holders of the Acquiror Shares (the "**Replacement Securities**") to which they are entitled hereunder, and shall be entitled to receive certificates representing the Replacement Securities as set forth in Section 13 hereof;

(b) the Acquiror, as the registered holder of the Zara Subco Shares, shall be deemed to be the registered holder of the Amalco Shares to which it is entitled hereunder and, upon surrender of the certificates representing such Zara Subco Shares to Amalco, the Acquiror shall be entitled to receive a share certificate representing the number of Amalco Shares to which it is entitled as set forth in Section 14 hereof; and

(c) share certificates evidencing Finco Shares shall cease to represent any claim upon or interest in Finco or Amalco.

16. **Amalco Stated Capital**. The amount to be added to the stated capital account maintained in respect of the Amalco Shares in connection with the issue of Amalco Shares under Section 13 on the Effective Date shall be the amount which is the sum of (i) the Paid-up Capital, determined immediately before the Effective Time, of all the issued and outstanding Finco Shares and (ii) the Paid-up Capital, determined immediately before the Effective Time, of the issued and outstanding Zara Subco Shares converted into Amalco Shares.

17. **Acquiror Stated Capital**. The Acquiror shall add an amount to the stated capital maintained in respect of the Acquiror Shares an amount equal to the Paid-Up Capital of the Finco Shares, determined immediately prior to the Effective Time.

18. **Covenants of Finco**. Without limiting its obligations under the Share Exchange Agreement, Finco covenants and agrees with the Acquiror and Zara Subco that it will:

    (a) use reasonable commercial efforts to obtain a resolution of the holders of Finco Shares approving the Amalgamation, this Agreement and the transactions contemplated hereby in accordance with the Act;

    (b) use reasonable efforts to cause each of the conditions precedent set forth in Section 25 to be satisfied; and

    (c) subject to the conditions set out in the Share Exchange Agreement, jointly with Zara Subco file with the Registrar the Amalgamation Application and such other documents as may be required to give effect to the Amalgamation.

19. **Covenants of the Acquiror**. Without limiting its obligations under the Share Exchange Agreement, the Acquiror covenants and agrees with Finco that it will:

    (a) sign a resolution as sole shareholder of Zara Subco in favour of the approval of the Amalgamation, this Agreement and the transactions contemplated hereby in accordance with the Act;

    (b) use reasonable efforts to cause each of the conditions precedent set forth in Section 25 to be satisfied; and

    (c) subject to completion of the share exchange as contemplated in the Share Exchange Agreement and the issuance of the Certificate of Amalgamation, issue that number of Acquiror Shares as required by Sections 13(b) and 13(e).

20. **Covenants of Zara Subco**. Zara Subco covenants and agrees with Finco and the Acquiror that it will not from the date of execution hereof to the Effective Date, except with the prior written consent of Finco and the Acquiror, conduct any business which would prevent Zara Subco or Amalco from performing any of their respective obligations hereunder.

21. **Further Covenants of Zara Subco**. Zara Subco further covenants and agrees with Finco that it will:

    (a) use its best efforts to cause each of the conditions precedent set forth in Section 25 to be satisfied; and

(b) subject to the approval of the sole shareholder of Finco Shares and the sole shareholder of Zara Subco being obtained and subject to the satisfaction or waiver of the conditions in the Share Exchange Agreement, thereafter jointly with Finco file with the Registrar the Amalgamation Application and such other documents as may be required to give effect to the Amalgamation upon and subject to the terms and conditions of this Agreement.

22. **Representation and Warranty of the Acquiror**. The Acquiror hereby represents and warrants to and in favour of Finco and Zara Subco and acknowledges that Finco and Zara Subco are relying upon such representation and warranty, that the Acquiror is duly authorized to execute and deliver this Agreement and this Agreement is a valid and binding agreement, enforceable against the Acquiror in accordance with its terms.

23. **Representation and Warranty of Finco**. Finco hereby represents and warrants to and in favour of the Acquiror and Zara Subco, and acknowledges that the Acquiror and Zara Subco are relying upon such representation and warranty, that Finco is duly authorized to execute and deliver this Agreement and this Agreement is a valid and binding agreement, enforceable against Finco in accordance with its terms.

24. **Representation and Warranty of Zara Subco**. Zara Subco represents and warrants to and in favour of Finco and the Acquiror, and acknowledges that Finco and the Acquiror are relying upon such representations and warranty, that Zara Subco is duly authorized to execute and deliver this Agreement and this Agreement is a valid and binding agreement, enforceable against Zara Subco in accordance with its terms.

25. **General Conditions Precedent**. The respective obligations of the parties hereto to consummate the transactions contemplated hereby, and in particular the Amalgamation, are subject to the satisfaction, on or before the Effective Date, of the following conditions, any of which may be waived by the consent of each of the parties without prejudice to their rights to rely on any other or others of such conditions:

(a) this Agreement and the transactions contemplated hereby, including, in particular, the Amalgamation, shall be approved by the sole shareholder of Zara Subco and by the sole shareholder of Finco in accordance with the Act;

(b) all the conditions required to complete the share exchange transaction set out in the Share Exchange Agreement, other than completion of the Amalgamation, and herein being satisfied or waived; and

(c) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by the Share Exchange Agreement, including, without limitation, the Amalgamation.

26. **Amendment**. This Agreement may at any time and from time to time be amended by written agreement of the parties hereto without, subject to applicable law, further notice to or authorization on the part of their respective shareholders and any such amendment may, without limitation:

(a) change the time for performance of any of the obligations or acts of the parties hereto;

(b) waive any inaccuracies or modify any representation or warranty contained herein or in any document delivered pursuant hereto;

(c) waive compliance with or modify any of the covenants contained herein and waive or modify performance of any of the obligations of the parties hereto; or

(d) waive compliance with or modify any other conditions precedent contained herein;

provided that no such amendment shall change the provisions hereof regarding the consideration to be received by Finco Shareholders in exchange for their Finco Shares without approval by the Finco Shareholders given in the same manner as required for the approval of the Amalgamation.

27. **Termination**. This Agreement may, prior to the issuance of the Certificate of Amalgamation, be terminated by mutual agreement of the respective boards of directors of the parties hereto, without further action on the part of the shareholders of Finco or Zara Subco. This Agreement shall also terminate without further notice or agreement if:

(a) the Amalgamation is not approved by the shareholders of Finco entitled to vote in accordance with the Act; or

(b) the Share Exchange Agreement is terminated.

28. **Binding Effect**. This Agreement shall be binding upon and enure to the benefit of the parties hereto and their successors and permitted assigns.

29. **Assignment**. No party to this Agreement may assign any of its rights or obligations under this Agreement without the prior written consent of each of the other parties.

30. **Further Assurances**. Each of the parties hereto agrees to execute and deliver such further instruments and to do such further reasonable acts and things as may be necessary or appropriate to carry out the intent of this Agreement.

31. **Notice**. Any notice which a party may desire to give or serve upon another party shall be in writing and may be delivered, mailed by prepaid registered mail, return receipt requested or sent by telecopy transmission to the following addresses:

(a) if to Finco

Blacklist Finco Inc.
c/o Fasken Martineau DuMoulin LLP
550 Burrard Street, Suite 2900
Vancouver, British Columbia V6C 0A3

Attention: John Gorst, CEO
Email: john.gorst@blacklistholdings.com

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

Fasken Martineau DuMoulin LLP
550 Burrard St., Suite 2900
Vancouver, BC V6C 0A3

Attention:
Email: [redacted]

(b) if to the Acquiror or Zara Subco:

Zara Resources Inc.
789 West Pender Street, Suite 1128
Vancouver, BC V6C 1H2

Attention: Ken Cotiamco
Email: ken@skanderbegcapital.com

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

McMillan LLP
1055 West Georgia Street, Suite 1500
Vancouver, BC V6E 4N7

Attention:
Email: [redacted]

or to such other address as the party to or upon whom notice is to be given or served has communicated to the other parties by notice given or served in the manner provided for in this Section. In the case of delivery or telecopy transmission, notice shall be deemed to be given on the date of delivery and in the case of mailing, notice shall be deemed to be given on the third Business Day after such mailing.

32. **Time of Essence**. Time shall be of the essence of this Agreement.

33. **Governing Law**. This Agreement shall be governed by and construed in accordance with the Laws of the Province of British Columbia and the federal Laws of Canada applicable therein.

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties hereto as of the date first above written.

BLACKLIST FINCO INC.

Per: _____

Name:

Title:

1185669 B.C. LTD.

Per: _____

Name:

Title:

ZARA RESOURCES INC.

Per: _____

Name:

Title: