

AMALGAMATION AGREEMENT

THIS AGREEMENT, the form of which was approved by the shareholders of Newco and NHS effective the 30th day of April, 2014, is executed as of this 30th day of April, 2014;

AMONG:

0998955 BC LTD., a corporation incorporated under the laws of the Province of British Columbia

(hereinafter referred to as “**Newco**”)

OF THE FIRST PART;

- and -

NHS INDUSTRIES LTD., a corporation incorporated under the laws of the Province of British Columbia

(hereinafter referred to as “**NHS**”)

OF THE SECOND PART;

- and -

0981624 B.C. LTD., a company existing under the laws of the Province of British Columbia

(hereinafter referred to as “**BC0981624**”)

OF THE THIRD PART;

WHEREAS Newco and NHS wish to combine their businesses by means of the Amalgamation between Newco, a wholly-owned subsidiary of BC0918624, and NHS;

AND WHEREAS, the board of directors of BC0918624 has determined that the Amalgamation to be effected pursuant to this Agreement is advisable and in the best interests of BC0918624 and has approved the transactions contemplated by this Agreement;

AND WHEREAS, the board of directors of NHS has determined that the Amalgamation to be effected pursuant to this Agreement is advisable and in the best interests of NHS and has approved the transactions contemplated by this Agreement and determined to recommend approval of the Amalgamation and the other transactions contemplated hereby to the NHS Shareholders;

AND WHEREAS, in furtherance of the Amalgamation, the board of directors of NHS has determined to submit the NHS Amalgamation Resolution in accordance with BCBCA to all the NHS Shareholders for approval;

AND WHEREAS, BC0918624, as the sole shareholder of Newco, will approve the Amalgamation, in accordance with BCBCA, by signing the Newco Amalgamation Resolution;

AND WHEREAS, upon the Amalgamation becoming effective, the NHS Shares will be exchanged for BC0918624 Shares and the Newco Shares will remain issued and outstanding in accordance with the provisions of this 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 WITNESSETH THAT 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 agree as follows:

ARTICLE 1 DEFINITIONS

1.1 Definitions

In this Agreement (including the recitals hereto) and each Schedule hereto:

“**Acquisition Agreement**” means the agreement effective the xx day of April, 2014 between BC0981624 and NHS governing the terms and conditions of the Transaction.

“**Agreement**” means this amalgamation agreement.

“**Amalco**” means the corporation resulting from the Amalgamation.

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

“**Amalgamation**” means the amalgamation of Newco and NHS pursuant to BCBCA on the terms and conditions set forth in this Agreement.

“**Amalgamation Application**” means, collectively (i) a completed Form 13 – BC Company Amalgamation Application, Section 27 BCBCA, (ii) a statement of an officer or director of each of NHS and Newco required under the BCBCA, attached as Schedule “A” to the Articles of Amalgamation, (iii) a copy of this Agreement or directors’ resolutions approving the Amalgamation, attached as Schedule “B” to the Articles of Amalgamation, (iv) a covering letter to the Companies and Personal Property Security Branch for an application for amalgamation, and (v) the applicable filing fee payable to the Minister of Finance.

“**Amalgamating Corporations**” means Newco and NHS.

“**Articles of Amalgamation**” means the articles of amalgamation of Amalco substantially in the form set out in Schedule A hereto.

“**BC0981624 Shares**” means the common shares in the capital of BC0981624.

“**BCBCA**” means the British Columbia *Business Corporations Act*, as amended;

“**Business Day**” means a day other than a Saturday, Sunday or a civic or statutory holiday in the Province of British Columbia.

“**Consolidation**” means the consolidation of the BC0981624 Shares on the basis of one post-consolidation BC0981624 Share for every 10 pre-consolidation BC0981624 Shares held under the Act;

“**Effective Date**” means the date when this Agreement together with the documents or certificates evidencing all corporate actions required under the Act for the approval of the Amalgamation are filed with the Companies and Personal Property Security Branch.

“**Exchange**” means the Canadian National Stock Exchange, the TSX Venture Exchange Inc. or Toronto Stock Exchange, as applicable.

“**Holders**” means, when used with reference to the NHS Shares, the Newco Shares, or the BC0981624 Shares, the holders of such NHS Shares, Newco Shares or BC0981624 Shares, as applicable, shown from time to time in the registers maintained by or on behalf of NHS, Newco or BC0981624, as applicable, in respect of such NHS Shares, Newco Shares or BC0981624 Shares, as applicable.

“**Material Adverse Effect**” means, as used in connection with events, contingencies, claims or other matters expressly relating to this Agreement, a matter which might adversely affect the condition (financial or otherwise), operations, business or prospects of any party hereto, and which a reasonably prudent investor would consider important in deciding whether to proceed with the transactions hereunder on the terms provided herein.

“**Newco**” means 0998955 BC Ltd., a corporation organized under the laws of BC, and a wholly-owned subsidiary of BC0981624.

“**Newco Amalgamation Resolution**” means the resolution of the sole shareholder of Newco, to be signed by BC0981624 in its capacity as the sole Holder of the Newco Shares, approving the Amalgamation.

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

“**NHS Amalgamation Resolution**” means the unanimous written resolution of shareholders of NHS, to be signed by all NHS Shareholders, approving the Amalgamation.

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

“**NHS Shareholders**” means registered holders of NHS Shares immediately prior to the filing of this Agreement and the documents or certificates evidencing all corporate actions required under the Act for the approval of the Amalgamation.

“Private Placement” means the non-brokered/brokered private placement financing of NHS to be completed concurrently with the completion of the Transaction.

“Resulting Issuer Compensation Options” means the compensation options of BC0981624 as constituted after giving effect to the Transaction and the Private Placement;

“Resulting Issuer Warrants” means the share purchase warrants of BC0981624, as constituted after giving effect to the Transaction;

“Transaction” means the three-cornered amalgamation, whereby NHS will amalgamate with Newco, pursuant to which the NHS Shareholders and the current BC0981624 Shareholders shall own all of the issued and outstanding securities of BC0981624.

ARTICLE 2 AMALGAMATION

2.1 Amalgamation

NHS covenants in favour of BC0981624 and Newco that NHS shall lawfully have the NHS Amalgamation Resolution signed by all of the Holders of NHS Shares as soon as reasonably practicable and, in any event, no later than July 31, 2014, subject to postponements, as may be agreed to by NHS and BC0981624.

BC0981624 covenants in favour of NHS and Newco that BC0981624 shall in its capacity as the sole shareholder of Newco sign the Newco Amalgamation Resolution as soon as reasonably practicable and, in any event, no later than July 31, 2014, or such other date as may be agreed to by NHS and BC0981624.

ARTICLE 3 EFFECT OF AMALGAMATION

3.1 Effect of Amalgamation

On the Effective Date, subject to the Act:

- (a) the amalgamation of the Amalgamating Corporations 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 Corporations shall continue to be the property of Amalco;
- (c) Amalco shall continue to be liable for the obligations of each of the Amalgamating Corporations;
- (d) any existing cause of action, claim or liability to prosecution with respect to either or both of the Amalgamating Corporations shall be unaffected;

- (e) any civil, criminal or administrative action or proceeding pending by or against either of the Amalgamating Corporations may be continued to be prosecuted by or against Amalco;
- (f) any conviction against, or ruling, order or judgment in favour of or against, either of the Amalgamating Corporations may be enforced by or against Amalco; and
- (g) the Corporate Charter of Amalco shall be as set forth in Schedule A to this Agreement.

ARTICLE 4 TREATMENT OF ISSUED CAPITAL

4.1 Treatment of Issued Share Capital of BC0981624 and the Amalgamating Corporations

- (a) Immediately prior to the transaction in paragraph 3.1(a), becoming effective, before the Effective Date, BC0981624 shall effect the Consolidation of the BC0981624 Shares, on the basis of one post-Consolidation BC0981624 Share for each 10 pre-Consolidation BC0981624 Shares held, approved by a directors' resolution in accordance with the articles of BC0981624 under BCBCA.
- (b) On the Effective Date:
 - (i) each Holder of NHS Shares will receive one (1) post-Consolidation BC0981624 Share for each of such Holder's NHS Shares;
 - (ii) the issued and outstanding Newco Shares will be exchanged for Amalco Shares on the basis of one Amalco Share for each Newco Share held immediately before the Effective Date, and the Newco Shares so exchanged will immediately be cancelled;
 - (iii) BC0981624 will receive one Amalco Share for each post-Consolidation BC0981624 Share issued to NHS Shareholders on the Effective Date;
 - (iv) BC0981624 will become the sole shareholder of Amalco;
 - (v) each BC0981624 share certificate issued to a Holder of NHS Shares who is also a principal of BC0981624 will bear an escrow legend or legends restricting the sale, transfer or other disposition thereof for, as to fifteen per cent (15%) of the common shares represented thereby, until the date that is six (6) months after the date that such common shares are listed on the Exchange (the "**Listing Date**"), and as to fifteen per cent (15%) of the common shares represented thereby, until the date that is twelve (12) months after the Listing Date, and as to fifteen percent of the shares represented thereby, until the date that is eighteen (18) months after the Listing Date, and as to fifteen percent (15%) of the common shares represented thereby, until the date that is twenty-four (24) months after the

Listing Date, and as to fifteen percent (15%) of the common shares represented thereby, until the date that is thirty (30) months after the Listing Date, and as to fifteen percent (15%) of the common shares represented thereby until the date that is thirty-six (36) months after the Listing Date; and

- (vi) each BC0981624 share certificate originally issued to a Holder of NHS Shares pursuant to this Subsection 4.1(a) that is a U.S. Person, a person in the United States, or a person in the United States for the account or benefit of a U.S. Person or a person in the United States, as well as all certificates issued in exchange for or in substitution of any BC0981624 share certificate, will bear the following additional legend:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE ‘U.S. SECURITIES ACT’), OR UNDER THE SECURITIES LAWS OF ANY STATE. THE HOLDER HEREOF, BY PURCHASING THE SECURITIES REPRESENTED HEREBY, AGREES FOR THE BENEFIT OF 0981624 B.C. LTD. AND ITS SUCCESSORS (THE ‘CORPORATION’) THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION OR ITS SUCCESSORS, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH LOCAL LAWS AND REGULATIONS, (C) WITHIN THE UNITED STATES, PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 OR RULE 144A THEREUNDER, IF APPLICABLE AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) WITHIN THE UNITED STATES, IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE LAWS AND REGULATIONS GOVERNING THE OFFER AND SALE OF SECURITIES, AND IN THE CASE OF TRANSFERS PURSUANT TO (C) OR (D) ABOVE, THE HOLDER HEREOF HAS, PRIOR TO SUCH TRANSFER, FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION.

DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE ‘GOOD DELIVERY’ IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA. AT ANY TIME THAT THE CORPORATION IS A ‘FOREIGN ISSUER’ (AS DEFINED IN RULE 902 OF REGULATION S UNDER THE U.S. SECURITIES ACT), A NEW CERTIFICATE, BEARING NO LEGEND, THE DELIVERY OF WHICH WILL CONSTITUTE ‘GOOD DELIVERY’ MAY BE

OBTAINED FROM THE TRANSFER AGENT OF THE CORPORATION UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION, IN A FORM SATISFACTORY TO THE TRANSFER AGENT OF THE CORPORATION AND TO THE CORPORATION, TO THE EFFECT THAT THE SALE OF THE SECURITIES REPRESENTED HEREBY IS BEING MADE IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, TOGETHER WITH SUCH ADDITIONAL DOCUMENTATION AS THE TRANSFER AGENT OF THE CORPORATION MAY REQUEST.”; and

- (c) upon the transaction in paragraph 3.1(a) becoming effective, all issued and outstanding NHS Shares and all issued and outstanding Newco Shares shall be cancelled and replaced by the issuance of Amalco Shares; and BC0981624 will become the sole shareholder of Amalco.

4.2 Treatment of the NHS Warrants

On the Effective Date:

- (a) upon the transaction in paragraph 3.1(a) becoming effective, each one (1) of NHS Warrants shall be exchanged for one (1) post-Consolidation Resulting Issuer Warrant and the NHS Warrants will become null and void; and
- (b) upon the original issuance of Resulting Issuer Warrant certificates to U.S. persons, to persons in the United States or to persons for the account or benefit of a U.S. person or a person in the United States, the Resulting Issuer Warrant certificates and certificates issued in exchange therefor or in substitution thereof, shall bear the following legend:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE ‘U.S. SECURITIES ACT’), OR UNDER THE SECURITIES LAWS OF ANY STATE. THE HOLDER HEREOF, BY PURCHASING THE SECURITIES REPRESENTED HEREBY, AGREES FOR THE BENEFIT OF 0981624 B.C. LTD. AND ITS SUCCESSORS (THE ‘CORPORATION’) THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION OR ITS SUCCESSORS, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH LOCAL LAWS AND REGULATIONS, (C) WITHIN THE UNITED STATES, PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 OR RULE 144A THEREUNDER, IF APPLICABLE AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) WITHIN THE UNITED STATES, IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER

THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE LAWS AND REGULATIONS GOVERNING THE OFFER AND SALE OF SECURITIES, AND IN THE CASE OF TRANSFERS PURSUANT TO (C) OR (D) ABOVE, THE HOLDER HEREOF HAS, PRIOR TO SUCH TRANSFER, FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION.

DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE ‘GOOD DELIVERY’ IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA. AT ANY TIME THAT THE CORPORATION IS A ‘FOREIGN ISSUER’ (AS DEFINED IN RULE 902 OF REGULATION S UNDER THE U.S. SECURITIES ACT), A NEW CERTIFICATE, BEARING NO LEGEND, THE DELIVERY OF WHICH WILL CONSTITUTE ‘GOOD DELIVERY’ MAY BE OBTAINED FROM THE WARRANT AGENT OF THE CORPORATION UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION, IN A FORM SATISFACTORY TO THE WARRANT AGENT OF THE CORPORATION AND TO THE CORPORATION, TO THE EFFECT THAT THE SALE OF THE SECURITIES REPRESENTED HEREBY IS BEING MADE IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, TOGETHER WITH SUCH ADDITIONAL DOCUMENTATION AS THE WARRANT AGENT OF THE CORPORATION MAY REQUEST.”

provided that if such Resulting Issuer Warrants are being transferred in compliance with the requirements of Rule 904 of Regulation S and in compliance with Canadian local laws and regulations, and provided that the corporation is a “foreign issuer” within the meaning of Regulation S at the time of sale, the legend set forth in this Subsection may be removed by providing a declaration to the warrant agent (or as the corporation may otherwise prescribe from time to time).

4.3 Treatment of the NHS Stock Options

Upon the transaction in paragraph 3.1(a) becoming effective, each one (1) of post-Consolidation NHS Stock Options shall be exchanged for one (1) Resulting Issuer Stock Option and the NHS Stock Options will become null and void. On such exercise in accordance with the terms of such options, the Resulting Issuer shall cause to be issued and delivered to the holders of such options, the Resulting Issuer Shares deliverable to such holders on the basis of one Resulting Issuer Share for each Resulting Issuer Stock Option that is exercised.

ARTICLE 5 FRACTIONAL SHARES UPON CONVERSION

5.1 Fractional Shares Upon Conversion

Notwithstanding anything to the contrary contained in this Agreement, no NHS Shareholder shall be entitled to, and BC0981624 will not issue, fractions of any securities in BC0981624.

ARTICLE 6 CERTIFICATES

6.1 Certificates

On the Effective Date, certificates evidencing NHS Shares, NHS Warrants and NHS Options shall cease to represent any claim upon or interest in NHS or Newco, respectively, other than the right of the holder to receive the consideration provided for in this Agreement.

ARTICLE 7 COVENANTS OF NHS

7.1 Covenants of NHS

NHS covenants and agrees with Newco and BC0981624 that it will:

- (a) use its best efforts to obtain the approval by the Holders of NHS Shares of the Amalgamation, this Agreement and the Transaction in accordance with the Act;
- (b) use its best efforts to cause each of the conditions precedent set forth in Section 13.1 and Section 12.1 that are applicable in respect of NHS to be complied with; and
- (c) subject to the approval of the shareholders of each of NHS and Newco being obtained for the completion of the Amalgamation and subject to all applicable regulatory approvals being obtained, including that of the Exchange for the Transaction, thereafter jointly with Newco file with the Companies and Personal Property Security Branch this Agreement, the Amalgamation Application, Articles of Amalgamation 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.

ARTICLE 8 COVENANTS OF BC0981624

8.1 Covenants of BC0981624

BC0981624 covenants and agrees with NHS that it will:

- (a) sign a resolution as sole shareholder of Newco in favour of the approval of the Amalgamation, this Agreement and the Transaction in accordance with the Act;
- (b) use its best efforts to cause each of the conditions precedent set forth in Section 14.1 and Section 12.1 that are applicable in respect of BC0981624 to be complied with; and
- (c) subject to the approval of the holders of NHS Shares being obtained for the completion of the Amalgamation and obtaining all applicable regulatory

approvals including that of the Exchange for the Transaction, take all corporate action necessary to reserve for issuance a sufficient number of BC0981624 Shares to permit the issuance of BC0981624 Shares on the Amalgamation and a sufficient number of BC0981624 Shares as are issuable (i) upon the exercise of the Resulting Issuer Warrants; (ii) upon the exercise of the Resulting Issuer Compensation Options; and (iii) upon the exercise of the Resulting Issuer Stock Options.

ARTICLE 9 COVENANTS OF NEWCO

9.1 Covenants of Newco

Newco covenants and agrees with NHS and BC0981624 that it will not, from the date of execution hereof to the Effective Date, except with the prior written consent of NHS and BC0981624, conduct any business or do any other thing that could prevent Newco from performing any of its obligations hereunder.

ARTICLE 10 FURTHER COVENANTS OF NEWCO

10.1 Further Covenants of Newco

Newco further covenants and agrees with NHS that it will:

- (a) use its best efforts to cause each of the conditions precedent set forth in Section 14.1 and Section 12.1 that are applicable in respect of Newco to be complied with; and
- (b) subject to the approval of the shareholders of each of NHS and Newco being obtained for the completion of the Amalgamation and subject to all applicable regulatory approvals being obtained, thereafter jointly with NHS file with the Companies and Personal Property Security Branch this Agreement, the Amalgamation Application, the Articles of Amalgamation 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.

ARTICLE 11 REPRESENTATIONS AND WARRANTIES

11.1 Representation and Warranty of BC0981624

BC0981624 represents and warrants to and in favour of NHS and Newco, and acknowledges that NHS and Newco are relying upon such representation and warranty, that BC0981624 is duly authorized to execute and deliver this Agreement and this Agreement is a valid and binding agreement, enforceable against BC0981624 in accordance with its terms.

11.2 Representation and Warranty of NHS

NHS represents and warrants to and in favour of BC0981624 and Newco, and acknowledges that BC0981624 and Newco are relying upon such representation and warranty, that NHS is duly authorized to execute and deliver this Agreement and this Agreement is a valid and binding agreement, enforceable against NHS in accordance with its terms.

11.3 Representation and Warranty of Newco

Newco represents and warrants to and in favour of NHS and BC0981624, and acknowledges that NHS and BC0981624 are relying upon such representation and warranty, that Newco is duly authorized to execute and deliver this Agreement and this Agreement is a valid and binding agreement, enforceable against Newco in accordance with its terms.

ARTICLE 12 GENERAL CONDITIONS PRECEDENT

12.1 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 of the following conditions, which, except for Section 12.1(a) below, may be waived by the consent of each of the parties without prejudice to their rights to rely on any of the other conditions in this Section 12.1:

- (a) this Agreement and the transactions contemplated hereby, including, in particular, the Amalgamation, being approved by (i) the board of directors of BC0981624; (ii) the board of directors of Newco; (iii) the board of directors of NHS; (iv) the sole shareholder of Newco; and (v) the Holders of NHS Shares, in accordance with the Act;
- (b) all the conditions required to complete the Transaction hereunder being met or waived;
- (c) all conditions set out in the Acquisition Agreement with respect to the Transaction having been met or waived;
- (d) all necessary regulatory approvals having been obtained, including any approvals in connection with the issuance and distribution of the securities of BC0981624 to be issued pursuant to the Amalgamation;
- (e) the BC0981624 Shares, the Resulting Issuer Warrants and the BC0981624 Shares to be issued on the exercise of: (i) the Resulting Issuer Warrants, (ii) the Resulting Issuer Compensation Options, and (iii) the Resulting Issuer Stock Options shall have been conditionally approved for listing by the Exchange, subject to BC0981624 fulfilling the Exchange's listing requirements;
- (f) none of the consents, orders and approvals, including regulatory approvals, required or necessary or desirable for the completion of the transactions provided for in this Agreement shall contain terms or conditions or require undertakings or

security deemed unsatisfactory or unacceptable by any of BC0981624 or NHS, acting reasonably; and

- (g) there shall not exist any prohibition at law, order or decree restraining or enjoining the consummation of the Amalgamation.

ARTICLE 13

CONDITIONS TO THE OBLIGATIONS OF BC0981624 AND NEWCO

13.1 Conditions to the Obligations of BC0981624 and Newco

The obligations of BC0981624 and Newco to consummate the transactions contemplated hereby, are subject to the satisfaction, on or before the Effective Date, of the conditions for the benefit of BC0981624 set forth in the Acquisition Agreement governing the terms and conditions of the Transaction and of the following conditions, which, except for Section 13.1(b) below, may be waived by the consent of BC0981624 and/or Newco without prejudice to their rights to rely on any other such conditions:

- (a) each of the acts of BC0981624 to be performed on or before the Effective Date pursuant to the terms of this Agreement shall have been duly performed by it and no event shall have occurred that could have a Material Adverse Effect on BC0981624, taken as a whole, from and after the date hereof;
- (b) the BC0981624 board of directors and shareholders shall have adopted all necessary resolutions, and all other necessary corporate action shall have been taken by BC0981624 to permit the consummation of the Amalgamation;
- (c) since the date hereof, no action, suit or proceeding shall have been taken before or by any governmental entity or by any private person (including, without limitation, any individual, corporation, firm, group or other entity or by any elected or appointed public official in Canada or elsewhere) against NHS (whether or not purportedly on behalf of NHS) that would, if successful, have a Material Adverse Effect on NHS, in the sole discretion of BC0981624, acting reasonably; and
- (d) BC0981624 and Newco shall have received a certificate from a senior officer of NHS confirming that the conditions set forth in this Section 13.1 and the conditions set forth in Section 12.1 that are applicable in respect of NHS have been satisfied.

The conditions described above are for the exclusive benefit of BC0981624 and Newco and may be asserted by BC0981624 and Newco regardless of the circumstances or may be waived by BC0981624 and Newco in their sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which BC0981624 and Newco may have.

ARTICLE 14
CONDITIONS TO OBLIGATIONS OF NHS

14.1 Conditions to Obligations of NHS

The obligations of NHS to consummate the transactions contemplated hereby and in particular the Amalgamation are subject to the satisfaction, on or before the Effective Date, of the conditions for the benefit of NHS set forth in the Acquisition Agreement governing the terms and conditions of the Transaction and of the following conditions, which, except for Section 14.1(b) below, may be waived by NHS without prejudice to its rights to rely on any other such conditions:

- (a) each of the acts of BC0981624 and Newco to be performed on or before the Effective Date pursuant to the terms of this Agreement shall have been duly performed by them and no event shall have occurred that could have a Material Adverse Effect on BC0981624 or Newco, taken as a whole, from and after the date hereof;
- (b) the board of directors and shareholders of each of BC0981624 and Newco shall have adopted all necessary resolutions, and all other necessary corporate action shall have been taken by BC0981624 and Newco to permit the consummation of the Amalgamation;
- (c) since the date hereof, no action, suit or proceeding shall have been taken before or by any governmental entity or by any private person (including, without limitation, any individual, corporation, firm, group or other entity or by any elected or appointed public official in Canada or elsewhere against BC0981624 (whether or not purportedly on behalf of BC0981624) that would, if successful, have a Material Adverse Effect on BC0981624, in the sole discretion of NHS, acting reasonably; and
- (d) NHS shall have received a certificate from a senior officer of each of BC0981624 and Newco confirming that the conditions set forth in Section 12.1 that are applicable to BC0981624 and Newco and the conditions set forth in this Section 14.1 have been satisfied.

The conditions described above are for the exclusive benefit of NHS and may be asserted by NHS regardless of the circumstances or may be waived by NHS in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which NHS may have.

ARTICLE 15
AMENDMENT

15.1 Amendment

This Agreement may be amended prior to its approval by the shareholders of the Amalgamating Corporations, 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 NHS Shareholders or warrant holders upon the Amalgamation, if any, without approval by the NHS Shareholders, given in the same manner as required for the approval of the Amalgamation.

ARTICLE 16 TERMINATION

16.1 Termination

This Agreement may be terminated prior to its approval by the shareholders of the Amalgamating Corporations, by mutual agreement of the respective boards of directors of the parties hereto, without further action on the part of the shareholders of NHS or Newco. This Agreement shall also terminate without further notice or agreement if:

- (a) the Amalgamation is not approved by the Holders of NHS Shares entitled to vote in accordance with the Act;
- (b) any of the conditions set out in Sections 12.1, 13.1 or 14.1 are not satisfied or, if capable of being waived, are not waived by the relevant party, as applicable, prior to the Effective Date; or
- (c) the Acquisition Agreement is terminated prior to the Effective Date.

ARTICLE 17 BINDING EFFECT AND COUNTERPARTS

17.1 Binding Effect

This Agreement shall be binding upon and enure to the benefit of the parties hereto and their successors and permitted assigns.

17.2 Counterparts

This Agreement may be executed in any number of counterparts, each of which when delivered shall be deemed to be an original and all of which together shall constitute one and the same document.

ARTICLE 18 ASSIGNMENT

18.1 Assignment

No party to this Agreement may assign any of its rights or obligations hereunder without the prior written consent of each of the other parties.

ARTICLE 19 FURTHER ASSURANCES

19.1 Further Assurances

Each of the parties hereto agrees to execute and deliver such further instruments and to do such further acts and things as may reasonably be necessary or desirable to carry out the intent of this Agreement.

ARTICLE 20 NOTICE

20.1 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 facsimile or electronic transmission to the following addresses:

- (a) if to BC0981624 or Newco:

1850 – 1066 West Hastings Street
Vancouver, B.C. V6E 3X2

Attention: Anthony Chan
E-mail: anthony@achan-co.com

- (b) if to NHS:

106, 1641 Lonsdale Avenue
North Vancouver, B.C. V7M 2T5

Attention: Carman Parente
E-mail: roygbiv@telus.net

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 electronic transmission, notice shall be deemed to be given, if prior to 5:00 pm local time at place of receipt, on the date of delivery or transmission or, if after 5:00 pm local time at the place of receipt, on the next following business day, and in the case of mailing, notice shall be deemed to be given on the third (3rd) Business Day after such mailing.

**ARTICLE 21
TIME OF ESSENCE**

21.1 Time of Essence

Time shall be of the essence of this Agreement.

**ARTICLE 22
GOVERNING LAW**

22.1 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of BC and the laws of Canada applicable therein and the courts of BC shall have exclusive jurisdiction over every dispute hereunder. Each of the parties hereto irrevocably attorns to the jurisdiction of the courts of BC.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

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

NHS INDUSTRIES LTD.

Per: "Carman Parente"
Name: Carman Parente
Title: Director, President & CEO

0998955 B.C. LTD.

Per: "Anthony Chan"
Name: Anthony Chan
Title: President

0981624 B.C. LTD.

Per: "Anthony Chan"
Name: Anthony Chan
Title: President

Schedule A
Articles of Amalgamation