

SHARE EXCHANGE AGREEMENT

This Agreement is made as of June 4, 2021

AMONG

Endocan Solutions Inc., a corporation organized under the laws of British Columbia
(the “**Purchaser**”)

AND

Nirvana Life Sciences Inc., a corporation organized under the laws of British Columbia
(the “**Company**”)

AND

The shareholders of the Company listed in Schedule A attached hereto
(each a “**Vendor**” and collectively the “**Vendors**”)

WHEREAS:

- A. The Vendors are the legal and beneficial owners of all the common shares without par value in the capital of the Company (each a “**Share**”); and
- B. The Vendors have each agreed to sell to the Purchaser, and the Purchaser has agreed to buy from the Vendors, all of the Vendors’ respective legal and beneficial interests in the Shares on the terms and conditions as hereinafter set forth.

IN CONSIDERATION of the premises, mutual covenants and agreements contained herein, and other good and valuable consideration (the receipt and sufficiency of which is hereby mutually acknowledged) the parties agree as follows:

Part 1 INTERPRETATION

1.1 **Definitions.** In this Agreement, unless the context otherwise requires:

- (a) “**Accounting Standards**” means the accounting standards that the Chartered Professional Accountants of Canada (“CPAC”) has determined are applicable to the Company, based on the nature of the Company, and, if CPAC has determined that the Company may choose between two sets of standards, then it means the set of standards the Company has chosen to have apply to it.
- (b) “**Action**” means any claim, action, cause of action, demand, lawsuit, arbitration, judicial or quasi-judicial inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena, notice of assessment, notice of reassessment or investigation of any nature, civil, criminal, administrative, investigative, regulatory or otherwise, whether at law or in equity.
- (c) “**Affiliate**” has the meaning ascribed to it under the Business Corporations Act.
- (d) “**Assets**” means all property or assets of the Company, of any nature or kind, whether real or personal, tangible or intangible, corporeal or incorporeal, and includes any interest therein.
- (e) “**Applicable Laws**” means all applicable rules, policies, notices, orders and legislation of any kind whatsoever of any Regulatory Authority having jurisdiction over the transactions contemplated hereby.
- (f) “**Acquisition Proposal**” means an inquiry, proposal or offer from any Person other than the Purchaser or any of its Affiliates regarding a merger, consolidation, sale or transfer of material

assets, sale or transfer of any equity interests or other business combination involving the Company.

- (g) “**Beneficial Owner**” has the meaning set out in section 4.2(b).
- (h) “**Benefit Plan**” means any retirement, pension, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, incentive or other employee compensation or benefit plan, arrangement, policy, program or practice (whether provided on a pre- or post-retirement basis) which is maintained, or otherwise contributed to or required to be contributed to, by the Company for the benefit of any present or former employees, officers or directors of the Company as any spouses, dependants or survivors of the foregoing.
- (i) “**Business**” means the business carried on by the Company.
- (j) “**Business Day**” means a day which is not a Saturday, Sunday or a statutory holiday in the Province of British Columbia.
- (k) “**Business Corporations Act**” means the British Columbia *Business Corporations Act* in effect at the date of this Agreement.
- (l) “**Closing**” means the completion of the Transaction in accordance with the terms and conditions of this Agreement;
- (m) “**Closing Date**” means the date of Closing, which will be on or before the fifth Business Day following the satisfaction or waiver of all conditions to the obligations of the parties to consummate the Transaction (other than conditions that are satisfied with respect to actions the respective parties will take at the Closing itself), or such other date as the Purchaser and the Company may mutually determine.
- (n) “**Consideration Shares**” has the meaning set out in section 2.2.
- (o) “**Contract**” means any written or oral contract, agreement, option, lease, license, deed, indenture, instrument, entitlement, commitment, undertaking or order (including any amendments thereto) made by or to which a Party is bound or under which a Party has, or will have, any rights or obligations.
- (p) “**Encumbrances**” means any lien, claim, charge, pledge, hypothecation, security interest, mortgage, title retention agreement, option or encumbrance of any nature or kind whatsoever.
- (q) “**Environmental Laws**” means any Applicable Laws relating to environmental contamination, exposure to Hazardous Materials, the protection of the environment or the protection of human health and safety as it relates to the environment, but in each case, excluding any Applicable Laws relating to product liability.
- (r) “**Escrow Agent**” means Computershare Trust Company of Canada, or such other escrow agent as may be agreed to by the Purchaser and the Company, each acting reasonably;
- (s) “**Exchange**” means the Canadian Securities Exchange.
- (t) “**Exemptions**” has the meaning set out in section 2.4(a)
- (u) “**Financial Statements**” means the unaudited financial statements of the Company for the financial period ended April 30, 2021 (the “Financial Statements Date”), consisting of a comparative balance sheet and income statement.

- (v) “**Hazardous Material**” means: (i) any solid, liquid, gaseous or radioactive substance which, when it enters a premise, exists in the premise or is present in the water supplied to the premise, or released into the environment from the premise that is likely to cause material harm or degradation to any property or the environment or to any Person; (ii) any pollutants, contaminants, hazardous waste or other noxious substances; and (iii) any substance declared at any time by any Regulatory Authority to be hazardous under any Applicable Law.
- (w) “**Intellectual Property**” means all intellectual or proprietary intangible property, howsoever created and wherever located, including but not limited to copyrights, trademarks, patents, protectable ideas, trade secrets, websites, domain names, integrated circuit topographies, mask works, know-how, designs, processes, works, and algorithms as well as all registrations, applications, renewals, continuations, continuations-in-part and extensions related to any of the foregoing and analogous rights thereto anywhere in the world.
- (x) “**Material Adverse Effect**” means any change, event, condition, circumstance or effect that is or is expected to be materially adverse to the business, prospects, operational results, assets, liabilities, or condition (financial or otherwise) of the Company, as applicable, other than as a result of changes arising from or relating to: (i) general political, economic or financial conditions in Canada, (ii) the industry in which the Company operates, provided that such change or condition does not have a disproportionate effect on the Company.
- (y) “**Material Contract**” means any Contract which is material to a Party’s to the business, prospects, operational results, assets, liabilities, or condition (financial or otherwise), including but not limited to any Contract which:
 - (i) will have a Material Adverse Effect on such Party if terminated;
 - (ii) results in payments in excess of \$10,000 per year, to or from such Party or its Affiliate(s);
 - (iii) relates to the borrowing of money or capital expenditures; or
 - (iv) was not entered into in the ordinary course of business.
- (z) “**Non-Resident**” means a “non-resident” of Canada within the meaning of the Tax Act.
- (aa) “**Party**” and “**Parties**” means a party and the parties to this Agreement respectively.
- (bb) “**Permits**” means all permits, licenses, franchises, approvals, authorizations, registrations, certificates, variances and similar rights obtained, or required to be obtained, from Regulatory Authorities.
- (cc) “**Person**” includes an individual, corporation, body corporate, partnership, joint venture, association, trust or unincorporated organization or any trustee, executor, administrator or other legal representative thereof.
- (dd) “**Personal Information**” means any identifying information about a Party who is an individual.
- (ee) “**Principal Vendors**” means 1042104 B.C. Ltd.
- (ff) “**Purchase Price**” means \$9,956,773.75 being an amount equal to \$0.25 per Consideration Share.
- (gg) “**Registered Holder**” has the meaning set out in section 4.2(b).

- (hh) **“Regulatory Authority”** means (i) any supranational, national, federal, state, regional, tribal, provincial, local or municipal administrative, judicial, legislative, executive, regulatory, police or taxing government or governmental or quasi-governmental authority of any nature, including any agency, branch, bureau, department, commission, official or entity; (ii) any court, arbitrator or other tribunal, whether domestic or foreign; or (iii) any stock exchange.
- (ii) **“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.
- (jj) **“Shares”** means the Common shares without par value in the capital of the Company.
- (kk) **“Subject Shares”** means all of the Shares issued and outstanding as of the date hereof.
- (ll) **“Tax”** (including, with correlative meaning, the terms “Taxes” and “Taxable”) means: (i) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Regulatory Authority, whether computed on a separate, consolidated, unitary, combined or other basis, including those levied on, or measured by, or described with respect to, income, gross receipts, profits, gains, windfalls, capital, capital stock, production, recapture, transfer, land transfer, license, gift, occupation, wealth, environment, net worth, indebtedness, surplus, sales, goods and services, harmonized sales, use, value-added, excise, special assessment, stamp, withholding, business, franchising, real or personal property, unclaimed property, escheat, health, employee health, payroll, workers’ compensation, employment or unemployment, severance, social services, social security, education, utility, surtaxes, customs, import or export, and including all license and registration fees and all employment insurance, health insurance and government pension plan premiums or contributions; (ii) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Regulatory Authority on or in respect of amounts of the type described in paragraph (i); above or this paragraph (ii); (iii) any liability for the payment of any amounts of the type described in paragraphs (i) or (ii) as a result of being a member of an affiliated, consolidated, combined or unitary group for any period; and (iv) any liability for the payment of any amounts of the type described in paragraphs (i) or (ii) as a result of any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Party.
- (mm) **“Tax Act”** means the *Income Tax Act* (Canada).
- (nn) **“Tax Returns”** means all returns, reports and other documents of every nature (including elections, declarations, disclosures, schedules, estimates and information returns) filed or required to be filed with any Regulatory Authority relating to Taxes.
- (oo) **“Transaction”** means, collectively, the acquisition by the Purchaser of the Subject Shares from the Vendors, and all other transactions contemplated by this Agreement;
- (pp) **“Vendors’ Lawyers”** means the law firm of Segev LLP.

1.2 **Time of Essence.** Time is of the essence of this Agreement.

1.3 **Context.** This Agreement is to be read with all changes in gender or number as required by the context. The headings in this Agreement are for convenience of reference only and do not affect the interpretation of this Agreement.

- 1.4 **Currency.** Unless otherwise indicated, all dollar amounts referred to in this Agreement are in the lawful currency of Canada.
- 1.5 **Governing Law.** This Agreement, any amendment, addendum or supplement hereto, and all other documents relating hereto will be governed by and construed in accordance with the laws of British Columbia and the federal laws of Canada applicable therein. Each Party irrevocably attorns and submits to the non-exclusive jurisdiction of the British Columbia courts situated in the City of Vancouver (and appellate courts therefrom) and waives objection to the venue of any proceeding in such court or that such court provides an inappropriate forum.
- 1.6 **Statutes.** Unless otherwise stated, any reference to a statute includes and is a reference to such statute and to the regulations made pursuant to it, with all amendments thereto and in force from time to time, and to any statute or regulations that may be passed which supplement or supersede such statute or such regulations.
- 1.7 **No Contra Proferentum.** The language in all parts of this Agreement shall in all cases be construed as a whole and neither strictly for nor strictly against any of the parties to this Agreement.
- 1.8 **Preamble, Recitals and Schedules.** The preamble, recitals and the following Schedules are an integral part of and are expressly incorporated into this Agreement:
- | | |
|------------|--------------------------|
| Schedule A | List of Vendors |
| Schedule B | Disclosure Schedule |
| Schedule C | Form of Escrow Agreement |

Part 2 THE TRANSACTION

- 2.1 **Purchase and Sale of Subject Shares.** Based and relying on the representations and warranties set forth below, the Purchaser agrees to purchase from the Vendors, and the Vendors agree to sell to the Purchaser, the Subject Shares free and clear of all Encumbrances for consideration of the Purchase Price on the terms and conditions set forth in this Agreement.
- 2.2 **Purchase Price.** On Closing, the Purchaser shall satisfy the payment of the Purchase Price by issuing to each Vendor:
- (a) one Common share(s) without par value in the capital of the Purchaser (each a “Consideration Share”) at a deemed price of \$0.25 per share, in exchange for each one Subject Share held by the Vendor, and accordingly each Vendor shall receive the number of Consideration Shares set out beside such Vendor’s name in Schedule A; and
- Any fractional Consideration Share that may be issuable for the satisfaction of the Purchase Price will be rounded down to the nearest whole number of shares.
- 2.3 **Certificate Legends.** The Vendors acknowledge and agree that the share certificates or registration notices evidencing the Consideration Shares may bear legends to comply with Applicable Securities Laws and Exchange policies, as determined in the sole discretion of the Purchaser.
- 2.4 **Restrictions on Resale.** Each of the Vendors acknowledges and agrees as follows:

- (a) the transfer of the Subject Shares and the issuance of the Consideration Shares, in exchange therefor, will be made pursuant to certain exemptions (the “Exemptions”) from the formal takeover bid, registration and prospectus (or equivalent) requirements of the Securities Laws, and accordingly:
 - (i) the Vendor will be restricted from using certain of the civil remedies available under the Securities Laws;
 - (ii) the Vendor may not receive information that might otherwise be required to be provided to the Vendor, and the Purchaser is relieved from certain obligations that would otherwise apply under Securities Laws if the Exemptions were not being relied upon by the Purchaser;
 - (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;
 - (v) an investment in the Consideration Shares is speculative and of high risk;
- (b) that the Exchange, 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 Exchange policies;
- (c) the certificates representing the Consideration Shares will bear such legends as required by Securities Laws and Exchange policies, and it is the responsibility of the Vendor to find out what those restrictions are and to comply with them before selling the Consideration Shares; and
- (d) the Vendor is knowledgeable of, or has been independently advised as to, the Applicable Laws of that jurisdiction which apply to the sale of the Purchased 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 Vendor to find out what those resale restrictions are, and to comply with them before selling the Consideration Shares.

2.5 **Voluntary Escrow.** Each of the Vendors listed in Schedule A with an asterisk behind their respective names hereby acknowledges and agrees to enter into a voluntary escrow agreement, substantially in the form attached as Schedule C, whereby the Consideration Shares to be issued to such Vendor will be held in escrow upon the terms and conditions set out in the escrow agreement, and for clarity, the voluntary escrow conditions set out in this section 2.5 are in addition to any other escrow or resale restriction that the Regulatory Authorities may impose on any Vendor.

2.6 **Name Change.** The Parties agree that at Closing or such other date as the Purchaser and the Company may agree:

- (a) the Company will change its name to one that the Company and the Purchaser has mutually agreed upon and which is acceptable to the applicable Regulatory Authorities;
- (b) the Purchaser will change its name to “Nirvana Life Sciences Inc.”, and accordingly the Company shall provide written consent for the Purchaser to use such name.

2.7 **Directors and Officers.** At Closing, provided that such persons meet all necessary legal and regulatory requirements and are willing and qualified to act:

- (a) the board of directors of the Purchaser will be reconstituted to consist of Bruce Clark, Mark Marissen, Annie Storey, Jakson Inwentash, and Sazzad Hossain;
- (b) the senior officers of the Purchaser will consist Bruce Clark as Chief Executive Officer and Connie Hang as Chief Financial Officer, and
- (c) the Purchaser shall take all necessary steps in order for these appointments to be effective on Closing.

Part 3 CLOSING

- 3.1 **Closing Date and Location.** The transactions contemplated by this Agreement will be completed on the Closing Date, at such location and time as is mutually agreed to by the Purchaser and the Company. Notwithstanding the location of the Closing, each Party agrees that the Closing may be completed by undertakings or the email exchange of documents between the respective legal counsel for the Purchaser and the Company, provided such undertakings and exchanges are satisfactory to each Party's respective legal counsel.
- 3.2 **Company's Closing Documents.** On the Closing Date, the Company shall deliver or cause to be delivered:
 - (a) certified copies of all resolutions or minutes of the directors, and if required the shareholders, of the Company approving the entering into and completion of all transactions contemplated by this Agreement;
 - (b) the certificates referred to in sections 6.2(e) and 6.2(f);
 - (c) if required by the Exchange, a favourable legal opinion, in form and substance satisfactory to the Purchaser and its counsel, each acting reasonably;
 - (d) such other documents as the Purchaser may reasonably require to perfect the transactions contemplated herein.
- 3.3 **Vendors' Closing Documents.** On the Closing Date, each Vendor shall deliver or cause to be delivered:
 - (a) certificates evidencing the Subject Shares owned by the Vendor, duly endorsed in blank for transfer or accompanied by all such instruments of transfer, duly executed, which in the opinion of the Purchaser, acting reasonably, are necessary to effect and evidence the transfer of the Subject Shares to the Purchaser, free and clear of Encumbrances; and
 - (b) duly executed escrow agreement in a form satisfactory to the Exchange, among the Purchaser, the Escrow Agent and such Vendors as may be required by the Exchange to be parties thereto;
 - (c) such other documents as the Purchaser may reasonably require to perfect the transactions contemplated herein.
- 3.4 **Purchaser's Closing Documents.** On the Closing Date, the Purchaser shall deliver or cause to be delivered:
 - (a) evidence that the Consideration Shares are registered to each Vendor in accordance with Schedule A;
 - (b) the certificates referred to in sections 6.1(c) and 6.1(d);

- (c) duly executed escrow agreement in a form satisfactory to the Exchange, among the Purchaser, the Escrow Agent and such shareholders of the Purchaser as may be required by the Exchange to be parties thereto;
- (d) such other documents as the Company may reasonably require to perfect the transactions contemplated herein.

Part 4 REPRESENTATIONS AND WARRANTIES OF THE VENDORS

4.1 **Relating to the Transaction.** Each Vendor separately represents and warrants to the Purchaser with respect to itself only as follows:

- (a) Power and Capacity. The Vendor has the power, authority and capacity to enter into this Agreement and carry out its terms.
- (b) Authorization. The execution, delivery, and performance by the Vendor of this Agreement, and the completion of the transactions contemplated herein have been, or will be by Closing, duly authorized by all necessary corporate action on the part of the Vendor, if applicable, and this Agreement constitutes a legal, valid and binding obligation of the Vendor, enforceable against the Vendor in accordance with its terms except as limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies such as specific performance and injunctions and are only available in the discretion of the court from which they are sought and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by applicable law.
- (c) Non-Contravention. The execution, delivery and performance by the Vendor of this Agreement, and the completion by the Vendor of the transactions contemplated herein do not and will not:
 - (i) require the consent, notice or other action by any Person other than the Exchange and except as set forth in the Disclosure Schedule;
 - (ii) contravene, conflict with or constitute a default under any indenture, mortgage, lease, agreement, license, permit, authorization, certification, or instrument to which the Vendor or the Company is a party or by which it is bound, and, if the Vendor is a corporation, its constating documents;
 - (iii) contravene or conflict with or constitute a violation of any provision of any law, rule, regulation, judgment, decree or order binding upon or applicable to the Vendor or the Company, subject to obtaining authorizations from any Regulatory Authority specifically contemplated in this Agreement;
 - (iv) give rise to a right of termination, cancellation or acceleration or loss of any benefit enjoyed by the Vendor with respect to his or her Shares; or
 - (v) result in the creation or imposition of any Encumbrances or restrictions of any nature on the Vendor's Shares.
- (d) Independent Legal Advice. The Vendor has been advised to obtain independent legal advice before entering into this Agreement.

- (e) No Prohibiting Orders. To the knowledge of the Vendor, after due inquiry, there is no outstanding, pending, threatened or contemplated action, suit, legal proceeding, litigation or governmental investigation of any sort which would:
 - (i) in any manner restrain or prevent any of the Vendors from effectually or legally transferring the Subject Shares to the Purchaser in accordance with this Agreement;
 - (ii) cause an Encumbrance to be attached to the Subject Shares; ormake the Purchaser liable for damages in connection with the transactions contemplated herein.
- (f) Non-Resident. The Vendor is either:
 - (i) not a Non-Resident; or
 - (ii) a Non-Resident, in which case the Vendor further acknowledges, represents and warrants that:
 - (A) 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
 - (B) the receipt of the Consideration Shares by the Vendor 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 Purchaser.

4.2 **Relating to the Shares.** Each Vendor separately represents and warrants to the Purchaser with respect to itself only as follows:

- (a) Title to Shares. The Vendor owns and has good and marketable title to all the Shares set forth opposite the Vendor's name on Schedule A as the legal and/or beneficial owner thereof, free of all Encumbrances and all the Shares have been duly and validly issued and are outstanding as fully paid and non-assessable shares in the capital of the Company.
- (b) Agent or Trustee. If the Shares are registered in the name of an agent or trustee (the "Registered Holder") for the beneficial owner of the Shares (the "Beneficial Owner"), the Beneficial Owner has authorized and directed the Registered Holder to execute and deliver all documentation in connection with the transfer and sale of the Shares, and this Agreement will constitute a legal, valid and binding contract of both the Registered Holder and the Beneficial Owner, enforceable against both the Registered Holder and Beneficial Owner in accordance with its terms, and all references to the Vendor is deemed to include the Beneficial Owner and all representations, warranties, covenants and agreements made by the Vendor is deemed to be made by the Beneficial Owner.
- (c) Ability to Transfer. The Vendor has complete and unrestricted right, power and authority to transfer legal and beneficial title and ownership of the Shares to the Purchaser, free and clear of any Encumbrances whatsoever.
- (d) No Agreement for Additional Shares. The Vendor has no agreement or option from the Company to acquire or receive additional shares of the Company.

- (e) No Option to Acquire. The Vendor has not granted to any person any agreement or option to acquire any of its Shares, except for the transactions contemplated herein.
- (f) No Cease Trade Orders. To the knowledge of the Vendor, no order ceasing or suspending trading in securities of the Company or prohibiting the sale of the Shares by the Vendor has been issued and no proceedings for this purpose have been instituted, or are pending, or are contemplated or threatened.
- (g) No Litigation. To the knowledge of the Vendor, there is no basis for and there are no actions, suits, judgments, investigations or proceedings outstanding, pending or threatened against or affecting the Shares held by the Vendor at law or in equity, or before or by any governmental authority, commission, board, bureau, or agency.

4.3 **Relating to the Company.** The Company and the Principal Vendor, jointly and severally, represent and warrant to the Purchaser as follows:

- (a) Corporate Existence & Standing. The Company is duly incorporated, validly existing and in good standing with respect to the filing of annual reports under the laws of the Province of British Columbia, and has all necessary corporate power, authority and capacity to own its Assets and to carry on its business as presently conducted. Neither the nature of the business of the Company nor the location or character of the Assets owned or leased by it requires that the Company be registered or otherwise qualified or to be in good standing in any other jurisdiction.
- (b) Charter, Bylaws and Corporate Records. The corporate records and minute books of the Company are in material compliance with applicable laws, rules and regulations, and contain complete and accurate records of all meetings and other corporate actions of the board of directors, committees of the board of directors, incorporators and shareholders of the Company.
- (c) No Interest in Other Entities. The Company does not own any shares in or other securities of any other Person, or have any interest in the Assets or business of any other Person.
- (d) No Shareholder or Similar Agreements. The Vendor is not a party to any shareholder, partnership, policy, voting trust or similar agreement relating to any of the issued and outstanding securities or equity interests of the Company.

Capitalization. Immediately before Closing, the authorized capital of the Company consists of an unlimited number of Common shares, of which 39,827,095 shares are issued and outstanding, all of which are duly authorized, validly issued, fully paid, non-assessable, not subject to pre-emptive rights, not issued in violation of any pre-emptive rights, and were issued in full compliance with the Company's constating documents and all applicable corporate and securities laws.

- (e) Options, Warrants, Rights.
 - (i) There are no outstanding (A) securities, notes or instruments convertible into or exercisable for any of the capital stock or other equity interests of the Company; (B) options, warrants, subscriptions or other rights to acquire capital stock or other equity interests of the Company, or (C) commitments, agreements or understandings of any kind, including employee benefit arrangements, relating to the issuance or repurchase by the Company of any capital stock or other equity interests of the Company, any such

securities or instruments convertible or exercisable for securities or any such options, warrants or rights;

- (ii) The Company has not granted any anti-dilution rights to any person or entity in connection with any outstanding option, warrant, subscription or any other instrument convertible or exercisable for the securities of the Company; and
 - (iii) There are no outstanding rights which permit the holder thereof to cause the Company to file a prospectus or registration statement under any securities law or which permit the holder thereof to include securities of the Company in a prospectus or registration statement filed by the Company under any securities law, and there are no outstanding agreements or other commitments which otherwise relate to the registration or qualification of any securities of the Company for sale or distribution in any jurisdiction.
- (f) Dividends. There are no dividends, or distributions of a similar nature, which have accrued or been declared but are unpaid with respect to any securities issued by the Company.
- (g) Shareholder Rights Plan. The Company has no shareholder rights plan or similar plan in effect nor is a shareholder rights plan or similar plan contemplated to be put in place by the Company.

4.4 **Relating to Conduct of Business.** The Company and Principal Vendor, jointly and severally, represent and warrant to the Purchaser as follows:

- (a) Business in Compliance with Applicable Laws. The Company has conducted and is conducting its business in compliance in all material respects with all Applicable Laws.
- (b) Permits. The Company holds all Permits necessary for its business to be carried on as now conducted and its Assets to be owned, leased and operated. The Disclosure Schedules lists all current Permits issued to the Company, including the names of the Permits and their respective dates of issuance and expiration. No event has occurred that, with or without notice or lapse of time or both, would reasonably be expected to result in the revocation, suspension, lapse or limitation of any such Permit.
- (c) No Cease Trade Orders. No order ceasing or suspending trading in securities of the Company or prohibiting the sale of securities by the Company has been issued and no proceedings for this purpose have been instituted, or are pending, or, to the knowledge of the Company after due inquiry, are contemplated or threatened.
- (d) No Revocation Orders. The Company has not received any notice of proceedings relating to the revocation or modification of any certificate, authority, permit or license which, if the subject of an unfavourable decision, ruling or finding would materially and adversely affect the conduct of the business, operations, financial condition or income of the Company.
- (e) No Litigation. Except as set forth in the Disclosure Schedule, there is no basis for and there are no Actions outstanding, pending or, to the knowledge of the Principal Vendor, threatened against or affecting the Company, its Assets, or any of the Vendors that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement or would have a Material Adverse Effect on the Company.
- (f) Material Contracts. The Disclosure Schedule lists all of the Company's Material Contracts, Complete and correct copies of each Material Contract (including all modifications, amendments and supplements thereto and waivers thereunder) have been made available to Purchaser. Each Material Contract is valid and binding on the Company in accordance with its terms and is in full force and effect. To the Principal Vendors' knowledge:

- (i) the Company is not in breach of or default under (or alleged to be in breach of or default under) any Material Contract, or has provided or received any notice of any intention to terminate any Material Contract; and
 - (ii) no event or circumstance has occurred that, with notice or lapse of time or both, would constitute an event of default under any Material Contract or result in a termination thereof or would cause or permit the acceleration or other changes of any right or obligation or the loss of any benefit thereunder.
- (g) Environmental. The Company is in compliance in all respects with, and has no liability of any nature or kind under, applicable Environmental Laws.
- (h) Financial Statements. The Financial Statements have been prepared in accordance with the Accounting Standards applied on a consistent basis, and present fairly the financial position of the Company as at the date thereof and the results of the Company's operations and the changes in the Company's financial position for the period then ending. No information has come to the attention of the Company since the dates that the financial statements of the Company were issued that would or would reasonably be expected to require any restatement or revision of any such financial statements of the Company.
- (i) No Reportable Disagreement with Auditors. The Company has never had any reportable disagreement (as defined in National Instrument 51-102) with the present or any former auditor of the Company.
- (j) Non-Arm's Length, Non-Canadian Residents. In respect of all transactions with non-arm's length, non-residents of Canada, the Company has used arm's length transfer prices and prepared contemporaneous documentation, as required under section 247 of the *Tax Act*.

LIABILITIES

- (k) Absence of Undisclosed Liabilities. The Company has no indebtedness, liabilities, obligations or commitments of any nature whatsoever, asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured, or otherwise required by Accounting Standards to be included in the Company's financial statements, except for:
- (i) those that are adequately reflected or reserved against in the Financial Statements as of the Financial Statements Date;
 - (ii) those incurred in connection with the transactions contemplated by this Agreement;
 - (iii) those incurred in the ordinary course of business, having an aggregate value of less than \$10,000; or
 - (iv) those disclosed in the Disclosure Schedule; and
- none of such liabilities incurred will have a Material Adverse Effect on the financial condition of the Company.

TAXES

- (l) Filings, Reserves and Payments. The Company: (i) timely filed (or has had timely filed on its behalf) each material Tax Return required to be filed or sent by it in respect of any Taxes, each of which was correctly completed and accurately reflected any liability for Taxes of the Company covered by such Tax Return in all material respects; (ii) timely and properly paid (or had paid on its behalf) all material Taxes due and payable by it for all Tax periods or portions thereof prior to Closing whether or not shown on such Tax Returns; (iii) established

in the Company's books of account, in accordance with Accounting Practices and consistent with past practices, adequate reserves for the payment of any material Taxes not then due and payable; and (iv) complied in all material respects with all Applicable Laws relating to the withholding of Taxes and the payment thereof. The Company has not requested any extension of time within which to file any material Tax Return, which Tax Return has not since been filed.

- (m) No Disputes. To the Principal Vendor's knowledge, there is no audit, investigation, claim, challenge, dispute or controversy relating to Taxes pending or threatened against the Company. No material deficiency for any Taxes has been proposed, asserted or assessed against the Company that has not been resolved and paid in full. No waiver, extension or comparable consent given by the Company regarding the application of the statute of limitations with respect to any material Taxes or any material Tax Return is outstanding, nor is any request for any such waiver or consent pending. There has been no material Tax audit or other administrative proceeding or court proceeding with regard to any Taxes or any Tax Return for any Tax year that is currently pending, nor has there been any notice from a Regulatory Authority to the Company regarding any such Tax, audit or other proceeding, or, to the Knowledge of the Principal, is any such Tax audit or other proceeding threatened with regard to any Taxes or Tax Returns. There are no material outstanding subpoenas or requests for information with respect to any of the Tax Returns of the Company.
- (n) Other Jurisdictions. The Company does not have any liability for any material Taxes in a jurisdiction where it does not file a Tax Return, nor has the Company received notice from a taxing authority in such a jurisdiction that it is or may be subject to taxation by that jurisdiction.
- (o) Tax Allocation or Sharing. The Company is not a party to any material Tax allocation or sharing agreement.
- (p) Consolidated Taxes. The Company: (i) has not been a member of an affiliated group filing a consolidated Tax Return (other than a group the common parent of which was the Company) and (ii) does not have any material liability for the Taxes of any Person (other than the Company) as a transferee or successor, by contract or otherwise.

EMPLOYEES AND CONTRACTORS

- (q) No Employees or Benefit Plans. The Company has no employees or Benefit Plans and has never previously had any employees or Benefit Plans.
- (r) Independent Contractors. The Disclosure Schedule lists: (i) all Persons who are currently performing services for the Company as independent contractors; (ii) the job title or position of such independent contractor; (iii) the current rate of compensation; and (iv) whether each independent contractor is or is not subject to written agreements with the Company. To the Principal Vendor's knowledge, each independent contractor has been properly classified as an independent contractor and the Company has not received any notice in writing or any material oral notice from any Regulatory Authority disputing such classification.

ASSETS

- (s) Title to Assets. The Company has good and marketable title to all its Assets, free and clear of any Encumbrances except as set forth in the Disclosure Schedule. The Disclosure Schedule lists all personal property owned by the Company with a fair market value of at least \$5,000 on an individual asset basis.

- (t) Leased Assets. The Disclosure Schedule sets forth a true and complete list of all Assets of the Company which are leased or are held under licence, operating agreement or similar arrangement and accurately describes the leases, licences, agreements or other documentation relating thereto. All rental or other payments required to be paid by the Company pursuant to such leases, licences, agreements or other documentation relating thereto have been duly paid and the Company is not otherwise in default in meeting its obligations thereunder.
- (u) Control of Assets. None of the Vendors, nor any company controlled by any of the Vendors, owns or controls any Asset which is used by the Company or is necessary or useful in the conduct of its business. The Assets owned or leased by the Company are sufficient for the continued conduct of the Company's Business after Closing in substantially the same manner as conducted before Closing and constitute all of the rights, property and assets necessary to conduct the Business as currently conducted.
- (v) Condition of Assets. All Assets used by the Company in connection with its Business are in good operating condition, fit for their intended use and do not require maintenance or repairs except for ordinary, routine maintenance and repairs that are not material in nature or cost.

INTELLECTUAL PROPERTY

- (w) Title. The Disclosure Schedule contains a true and complete list of all of the Company's Intellectual Property, except for such off-the-shelf license agreements for software that are generally commercially available on a non-exclusive basis on generally standard terms. The Company owns the entire right, title and interest (free and clear of all Encumbrances) in and to, or has valid licenses to use, all its Intellectual Property, without any conflict with or infringement of the rights of others. The Company does not use any Intellectual Property which it will not own or continue to be able to license following Closing.
- (x) Rights in Effect. The rights to the Company's Intellectual Property are in full force and effect, and have not been used or enforced, or failed to be used or enforced, in a manner that would result in the abandonment, cancellation or unenforceability of any of the Company's rights to such Intellectual Property. The Company has taken reasonable action to maintain and protect all of its Intellectual Property.
- (y) No Infringement. The Company has not infringed, misappropriated, or violated the Intellectual Property rights of any third party. To the Principal Vendor's knowledge, no third party has infringed, misappropriated, or violated, or is infringing, misappropriating, or violating the Company's Intellectual Property rights.

PUBLIC COMPANY STATUS

- (z) Not a Reporting Issuer. The Company is not a Reporting Issuer in any jurisdiction and there is no published market in respect of the Shares.

4.5 **Other Representations**. All statements contained in any certificate or other instrument delivered by or on behalf of the Vendors pursuant hereto or in connection with the transactions contemplated by this Agreement shall be deemed to be representations and warranties by the Vendors hereunder.

4.6 **Survival**. The representations and warranties made by the Vendors and contained in this Agreement or any document or certificate given pursuant hereto will survive the Closing for a period of 24 months from the Closing Date. No claim for breach of any representation, warranty or covenant of any Vendor will be valid unless that party against whom such claim is made has been given notice

thereof before the expiry of such 24-month period, except in the event of fraud with respect to any applicable representation and warranty in which case notice of a claim may be delivered at any time.

- 4.7 **Reliance.** The Vendors acknowledge and agree that the Purchaser has entered into this Agreement relying on the warranties and representations and other terms and conditions of this Agreement notwithstanding any independent searches or investigations that have been or may be undertaken by or on behalf of the Purchaser and that no information which is now known or should be known or which may hereafter become known to the Purchaser or its officers, directors or professional advisers shall limit or extinguish the right to indemnification hereunder.

Part 5 REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

5.1 **By the Purchaser.** The Purchaser represents and warrants to the Vendors that:

- (a) Organization and Good Standing. The Purchaser is a company duly incorporated and validly existing under the law of British Columbia and is in good standing with respect to the filing of annual reports under the *Business Corporations Act*.
- (b) Authority Relative to this Agreement. The Purchaser has all necessary corporate power, authority and capacity to acquire the Subject Shares and to perform its obligations hereunder. The execution and delivery of this Agreement has been duly authorized by all necessary corporate action on the part of the Purchaser and this Agreement has been duly executed and delivered by the Purchaser and constitutes a valid and binding obligation of the Purchaser.
- (c) No Violation of Other Agreements. The Purchaser is not a party to, bound by or subject to any indenture, mortgage, lease, agreement, instrument, statute, regulation, order, judgment, decree or law which would be violated, contravened or breached by, or under which any default would occur as a result of, the execution and delivery by the Purchaser of this Agreement or the performance by the Purchaser of any of the terms hereof.
- (d) Investment Canada. The Purchaser is not a “non-Canadian” within the meaning of the *Investment Canada Act*.
- (e) No Approvals. No authorization, approval, order, license, permit or consent of any governmental authority of Canada, any province of Canada, any municipal, regional or other authority, regulatory body or agency, including any governmental department, commission, bureau, board or administrative agency or court, and no registration, declaration or filing by the Purchaser with any such governmental authority, regulatory body or agency, or court is required in order for the Purchaser:
 - (i) to consummate the transactions contemplated by this Agreement,
 - (ii) to execute and deliver all of the documents and instruments to be delivered by the Purchaser under this Agreement,
 - (iii) to duly perform and observe the terms and provisions of this Agreement, and
 - (iv) to render this Agreement legal, valid, binding and enforceable.

5.2 **Other Representations.** All statements contained in any certificate or other instrument delivered by or on behalf of the Purchaser pursuant hereto or in connection with the transactions contemplated by this Agreement shall be deemed to be representations and warranties by the Purchaser hereunder.

- 5.3 **Survival.** The representations and warranties made by the Purchaser and contained in this Agreement or any document or certificate given pursuant hereto will survive the Closing for a period of 24 months from the Closing Date. No claim for breach of any representation, warranty or covenant of the Purchaser will be valid unless the Purchaser has been given notice thereof before the expiry of such 24-month period, except in the event of fraud with respect to any applicable representation and warranty in which case notice of a claim may be delivered at any time.
- 5.4 **Reliance.** The Purchaser acknowledges and agrees that the Vendors have entered into this Agreement relying on the warranties and representations and other terms and conditions of this Agreement notwithstanding any independent searches or investigations that have been or may be undertaken by or on behalf of the Vendors and that no information which is now known or should be known or which may hereafter become known to any of the Vendors or their professional advisers shall limit or extinguish the right to indemnification hereunder.

Part 6 CONDITIONS PRECEDENT

- 6.1 **Vendors' Conditions.** The obligation of the Vendors to complete the transactions contemplated by this Agreement will be subject to the satisfaction or waiver of, at or before the Closing, the following conditions precedent:
- (a) Exchange Approval. The Exchange has provided conditional approval of the Transaction and the listing of the Purchaser's Common shares on the Exchange;
 - (b) Consents and Approvals. All consents, waivers, permits, orders and approvals of all Regulatory Authorities and other Persons necessary to permit the completion of the Transaction have been obtained.
 - (c) Representations of the Purchaser. The representations and warranties of the Purchaser, in this Agreement and any certificate or other writing delivered pursuant hereto, shall be true and correct in all respects (where such representation or warranty is qualified by materiality or Material Adverse Effect) or in all material respects (where such representation or warranty is not qualified by materiality or Material Adverse Effect) on and as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date), and a certificate of a senior officer of the Purchaser certifying to this effect will have been delivered to the Vendors and the Company;
 - (d) Performance by Purchaser. All of the terms, covenants and conditions of this Agreement to be complied with or performed by the Purchaser on or before the Closing Date will have been complied with or performed, and a certificate of a senior officer of the Purchaser certifying to this effect will have been delivered to the Vendors and the Company;
 - (e) No Prohibition. The transactions contemplated by this Agreement are not prohibited or otherwise challenged by:
 - (i) any Applicable Law;
 - (ii) an injunction or restraining order of any court or administrative tribunal of competent jurisdiction; or
 - (iii) an action or proceeding instituted or pending before any court or administrative tribunal.

The conditions precedent set forth in this section 6.1 are for the Vendors' exclusive benefit and may be waived by them, in whole or in part, by written notice from the Company on or before the Closing Date without prejudice to any other rights and remedies at law or in equity that it may have. Closing of the Transaction will be deemed to mean a waiver of all of the Vendors' conditions precedent.

6.2 **Purchaser's Conditions.** The obligation of the Purchaser to complete the transactions contemplated by this Agreement will be subject to the satisfaction or waiver of, at or before the Closing, the following conditions precedent:

- (a) Due Diligence. The Purchaser is satisfied by its due diligence investigations of the Company.
- (b) No Related Party Loans. The Company has no amounts which are due and outstanding from a director, officer or shareholder.
- (c) Exchange Approval. The Exchange has provided conditional approval of the Transaction and the listing of the Purchaser's Common shares on the Exchange;
- (d) Consents and Approvals. All consents, waivers, permits, orders and approvals of all Regulatory Authorities and other Persons necessary to permit the completion of the Transaction have been obtained.
- (e) Representations of Company and Principal Vendor. The representations and warranties of the Company and the Principal Vendor, in this Agreement and any certificate or other writing delivered pursuant hereto, shall be true and correct in all respects (where such representation or warranty is qualified by materiality or Material Adverse Effect) or in all material respects (where such representation or warranty is not qualified by materiality or Material Adverse Effect) on and as of the Closing Date with the same effect as though made on and as of such date (except those representations and warranties that address matters only as of a specified date), and a certificate of a senior officer of the Company and the Principal Vendors certifying to this effect will have been delivered to the Purchaser;
- (f) Performance by Company and Principal Vendor. All of the terms, covenants and conditions of this Agreement to be complied with or performed by the Company and the Principal Vendors on or before the Closing Date will have been complied with or performed, and a certificate of a senior officer of the Company and the Principal Vendors certifying to this effect will have been delivered to the Purchaser;
- (g) Representations of Vendors. The representations and warranties of the Vendors, in this Agreement and any certificate or other writing delivered pursuant hereto, shall be true and correct in all respects (where such representation or warranty is qualified by materiality or Material Adverse Effect) or in all material respects (where such representation or warranty is not qualified by materiality or Material Adverse Effect) on and as of the Closing Date with the same effect as though made on and as of such date (except those representations and warranties that address matters only as of a specified date), and the execution and delivery by each Vendor of the closing documents listed in section 3.3 shall constitute a reaffirmation and confirmation by such Vendor of such representations and warranties;
- (h) Performance by Vendors. All of the terms, covenants and conditions of this Agreement to be complied with or performed by the Vendors at or before the Closing Date will have been complied with or performed, and the execution and delivery by each Vendor of the closing documents listed in section 3.3 shall constitute confirmation by such Vendor of such compliance and performance;

- (i) No Prohibition. The transactions contemplated by this Agreement are not prohibited or otherwise challenged by:
 - (i) any Applicable Law;
 - (ii) an injunction or restraining order of any court or administrative tribunal of competent jurisdiction; or
 - (iii) an action or proceeding instituted or pending before any court or administrative tribunal.
- (j) No Material Adverse Effect. Between the date hereof and the Closing Date, there has been no event, change or condition (or events, changes or conditions) that individually or in the aggregate, which resulted in, or is reasonably expected to result in, a Material Adverse Effect.

The conditions precedent set forth in this section 6.2 are for the Purchaser's exclusive benefit and may be waived by it, in whole or in part, on or before the Closing Date without prejudice to any other rights and remedies at law or in equity that it may have. Closing of the Transaction will be deemed to mean a waiver of all of the Purchaser's conditions precedent.

Part 7 COVENANTS

- 7.1 **Access to Information**. From the date hereof until the earlier of the Closing Date and the termination of this Agreement, the Company shall: (a) give the Purchaser and its representatives reasonable access to all of the Company's employees, Assets, premises, books and records and other data related to the Company; (b) furnish Purchaser and its representatives with such financial, operating and other data and information related to the Company as the Purchaser or any of its representatives may reasonably request; and (c) instruct the representatives of the Principal Vendors and the Company to cooperate with Purchaser in its investigation of the Company, which shall be conducted in such manner as not to interfere unreasonably with the conduct of the Business.
- 7.2 **Conduct of Business**. From the date hereof until the Closing, except as otherwise provided in this Agreement or consented to in writing by the Purchaser (whose consent shall not be unreasonably withheld), the Company shall:
- (a) conduct the Business in the ordinary course consistent with past practice; and
 - (b) use reasonable best efforts to maintain and preserve intact the current organization and the Business, and to preserve the rights, franchises, goodwill and relationships of its customers, lenders, suppliers, regulators and others having business relationships with the Company.

Without limiting the foregoing, from the date hereof until the Closing Date, the Company shall not, nor the Principal Vendors shall permit the Company to, do the following:

- (c) amend its articles or bylaws, except as necessary or desirable to effect the transactions contemplated in this Agreement;
- (d) authorize, issue, sell or transfer any share capital or other equity interests of the Company or any securities convertible into or exercisable or exchangeable for share capital or other equity interests of the Company, or adjust, split or reclassify any share capital or other equity interests of the Company;
- (e) sell, lease, transfer or otherwise dispose of, or mortgage, encumber, pledge or impose any Encumbrance on, any of its Assets, other than dispositions of immaterial Assets for fair value in the ordinary course of business;

- (f) create, incur, assume or guarantee any indebtedness, or extend or modify any existing indebtedness;
- (g) make any loans, advances or capital contributions to, or investments in, any Person (other than advances of expenses to employees of the Company in the ordinary course of business);
- (h) make, authorize or commit to any single capital expenditure in excess of \$1,000 or capital expenditures that are, in the aggregate, in excess of \$5,000;
- (i) incur expenses (including legal or other professional fees) in excess of \$10,000 in the aggregate in connection with any ongoing, new or proposed Action involving or relating to the Company, but excluding any Transaction Expenses;
- (j) settle any account receivable of a material nature at less than face value net of the reserve for that account;
- (k) waive or surrender any material right;
- (l) make, change or revoke any Tax election, or file an amended Tax Return unless required by law;
- (m) make, or permit the Corporation to make, any change in any Tax or accounting methods or policies or systems of internal accounting controls, except to conform to changes in law related to Taxes or accounting requirements; and
- (n) fail to renew or otherwise keep in full force and effect any material Permit.

7.3 **Notice of Certain Events.** From the date hereof until the Closing, the Vendors shall promptly notify the Purchaser in writing of:

- (a) any fact, circumstance, event or action the existence, occurrence or taking of which:
 - (i) has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect,
 - (ii) has resulted in, or could reasonably be expected to result in, any representation or warranty made by the Vendors hereunder not being true and correct, or
 - (iii) has resulted in, or could reasonably be expected to result in, the failure of any of the conditions precedent in favour of the Purchaser, as set forth in section 6.2, to be satisfied;
- (b) any communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement;
- (c) any communication from any Regulatory Authority in connection with the transactions contemplated by this Agreement; and
- (d) any Actions commenced or, to the knowledge of each Vendor, threatened against, relating to or involving or otherwise affecting any of the Vendors or the Company that, if pending on the date of this Agreement, would have been required to have been disclosed under section 4.4(e) or that relates to the consummation of the transactions contemplated by this Agreement.

The Purchaser's receipt of information under subparagraphs (a) to (d) above shall not operate as a waiver or otherwise affect any representation, warranty or agreement given or made by the Vendors in this Agreement, nor shall it be deemed to amend or supplement the Disclosure Schedule, except

in the case where the Purchaser proceeds to close the transactions contemplated in this Agreement after receipt of the aforesaid notices.

7.4 **Liabilities and Shareholder Loans.** At or before Closing, the Principal Vendors shall cause the Company to repay in full and extinguish all liabilities (including but not limited to any shareholder loans) and obligations of the Company.

7.5 **Books and Records.**

- (a) To facilitate the resolution of any claims made against or incurred by the Vendors before the Closing, or for any other reasonable purpose, for a period of six years after the Closing, the Purchaser shall:
 - (i) retain the books and records (including personnel files) of the Company relating to periods before the Closing in a manner reasonably consistent with the prior practices of the Company; and
 - (ii) upon reasonable notice, afford the Vendors and their respective representatives reasonable access (including the right to make, at the Vendors' expense, photocopies), during normal business hours, to the Company's books and records.
- (b) To facilitate the resolution of any claims made by or against or incurred by the Company after the Closing, or for any other reasonable purpose, for a period of seven years after the Closing, the Principal Vendors shall:
 - (i) retain the books and records (including personnel files) of the Company and its operations for periods before the Closing; and
 - (ii) upon reasonable notice, afford the Purchaser and its representatives or the Company reasonable access (including the right to make, at the Purchaser's expense, photocopies), during normal business hours, to the books and records.
- (c) Neither the Purchaser nor the Principal Vendors shall be obligated to provide the other Party with access to any books or records (including personnel files) under this section 7.5 where such access would violate any Applicable Law.

7.6 **Exclusivity.** From the date hereof until the earlier of the Closing Date and the termination of this Agreement, the Vendors, and anyone acting on behalf of any of the Vendors, shall not, directly or indirectly:

- (a) solicit, initiate, encourage or accept any Acquisition Proposal (including but not limited to entering into any agreements or other instruments, whether or not binding, regarding an Acquisition Proposal);
- (b) engage in discussions, enter into negotiations, or continue inquiries regarding a possible Acquisition Proposal; or
- (c) furnish any non-public information concerning the Business or the Assets, except as required to comply with any Applicable Laws or this Agreement, or except in the ordinary course of business.

The Vendors and the Company, as well as anyone acting on behalf of any of the Vendors or the Company, shall immediately cease and cause to be terminated all existing discussions, negotiations or other communications with any Person conducted heretofore with respect to, or that could lead to, an Acquisition Proposal. The Vendors will immediately notify the Purchaser in writing upon receipt

by the Company, or any of the Vendors, of any proposal, offer or inquiry regarding an Acquisition Proposal, which notice will indicate in reasonable detail the identity of the Person making such proposal, offer or inquiry and the terms and conditions of any such Acquisition Proposal.

- 7.7 **Co-operation.** The Company shall use commercially reasonable efforts to assist and co-operate with the Purchaser in the preparation of documents for the completion of the transactions contemplated herein, including but not limited to the preparation of any prospectus-level disclosure document required for the listing of the Purchaser's shares on the Exchange.
- 7.8 **Consents and Further Actions.** Each of the Parties will use all commercially reasonable efforts to obtain, or assist each other to obtain, in a timely manner all necessary consents, approvals, licenses, permits, authorizations or filings from shareholders, Regulatory Authorities and third parties to complete the transactions contemplated herein. Each of the Parties will take all necessary actions, steps and proceedings that are necessary or desirable to approve or authorize the execution and delivery of this Agreement and the completion of the transactions contemplated herein.

Part 8 INFORMATION DISCLOSURE AND COLLECTION

- 8.1 **Restrictions on Disclosure.** Each of the Parties and its respective employees, officers, directors, shareholders, agents, advisors and other representatives will hold all information received from the other Party concerning this Agreement, the transactions contemplated herein, or the business affairs of any of the Parties in strictest confidence and such information shall not be disclosed or used by the recipients thereof, except where:
- (a) such information is already available to the public;
 - (b) disclosure is required by Applicable Laws or to carry out the transactions contemplated in this Agreement; or
 - (c) the prior written consent of the other Parties for disclosure has been obtained.

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 Company and the Purchaser, such consent not to be unreasonably withheld or delayed, provided that nothing contained herein will prevent any party hereto at any time from furnishing any information to any Regulatory Authority or to the public if so required by Applicable Law.

- 8.2 **Personal Information.** Each of the Parties hereby acknowledges and agrees to the use, collection and disclosure of Personal Information about such Party for the purposes of completing the transactions contemplated in this Agreement and to comply with Applicable Laws.

Part 9 TERMINATION

- 9.1 **Termination.** This Agreement may be terminated at any time before the Closing:
- (a) by mutual written consent of the Company and the Purchaser;
 - (b) by the Purchaser, if there has been a material breach by the Company or the Vendors 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 6.2 which the Company fails to cure within ten Business Days after written notice thereof is given by the Purchaser;

- (c) by the Company if there has been a material breach by the Purchaser 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 6.1 which the Purchaser fails to cure within ten Business Days after written notice thereof is given by the Company; and
- (d) by any Party, if any permanent injunction, cease trade order or other order of a court or other competent authority preventing the Closing will have become final and non-appealable, provided that no Party will 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.

Part 10 GENERAL

- 10.1 **Power of Attorney.** Each of the Vendors hereby severally and irrevocably appoints the Company 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, including without limitation, for the purposes of all Closing matters (including without limitation, the receipt of certificates representing the Consideration Shares) and deliveries of documents and do and cause to be done all such acts and things as may be necessary or desirable in connection with the closing matters for the Transaction. Without limiting the generality of the foregoing, the Company may, on its own behalf and on behalf of the Vendors, extend any time period (including the Closing Date), 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 agreement), extend such time periods as may be contemplated herein or terminate this Agreement, in its absolute discretion, as it deems appropriate. Each of the Vendors hereby acknowledges and agrees that any decision or exercise of discretion made by the Company under this Agreement, will be final and binding upon the Vendors so long as such decision or exercise was made in good faith. The Purchaser will have no duty to enquire into the validity of any document executed or other action taken by the Company on behalf of the Vendors pursuant to this paragraph.
- 10.2 **Expenses.** The Company will be responsible for and bear all of the costs and expenses incurred in connection with the preparation of this Agreement and the transactions contemplated by this Agreement.
- 10.3 **Entire Agreement.** This Agreement contains the whole agreement between the parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions between the parties and there are no representations, warranties, covenants, conditions or other terms other than expressly contained in this Agreement.
- 10.4 **Severability.** The invalidity, illegality or unenforceability of any provision of this Agreement shall not affect the validity, legality or enforceability of any other provision hereof.
- 10.5 **Further Assurances.** Each party will execute and deliver to the other any additional instruments and will take any additional steps that may be reasonably required to give full effect to this Agreement.

- 10.6 **No Assignment.** This Agreement, which includes any interest granted or right arising under this Agreement, may not be assigned or transferred without the prior written consent of the other party.
- 10.7 **Amendment & Waiver.** No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by all the parties. No waiver of any breach of any term or provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same, and unless otherwise provided, will be limited to the specific breach waived.
- 10.8 **Enurement.** This Agreement binds and enures to the benefit of the parties and their respective successors and permitted assigns.
- 10.9 **Notice.** Any notice or communication required in this Agreement must be in writing and delivered by trackable courier, in person or by facsimile as follows:

- (a) If to the Purchaser:
Endocan Solutions Inc.
P.O. Box 27
1040 W. Hastings Street, 14th floor
Vancouver, BC V6E 4H8

with a courtesy copy (which will not constitute service to the Purchaser) to:
Connect Law Corporation
#950-777 Hornby St.
Vancouver, BC V6Z 1S4
Fax: 604-398-3765

- (b) If to the Company or the Vendors:
Nirvana Life Sciences Inc.
905 W. Pender Street, 6th floor
Vancouver, BC V6C 1L6

Any notice or communication given will be deemed delivered on the day of delivery or fax transmission provided it is received before 4:00 pm (local time) at the place of receipt, as otherwise it will be deemed delivered on the following business day.

- 10.10 **Independent Legal Advice.** Each Party has been advised to obtain independent legal, accounting, investment and tax advice prior to the execution and delivery of this Agreement, and in the event a Party did not avail itself of that opportunity before signing this Agreement, such Party did so voluntarily and without any undue pressure or influence of any of the other Parties and that any failure to obtain independent legal, accounting, investment or tax advice shall not be used as a defense to the enforcement of a Party's obligations under this Agreement.

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10.11 **Execution by Counterparts.** This Agreement may be executed and delivered in one or more counterparts and may be executed and delivered by facsimile or any other electronically communicated method, each of which when executed and delivered shall be deemed an original and all of which counterparts together shall be deemed to constitute one and the same instrument.

The parties have executed this Agreement on the date first written above.

ENDOCAN SOLUTIONS INC.

“Bruce Clark”

Per: Authorized Signatory

Bruce Clark, CEO

Name and Title (please print)

NIRVANA LIFE SCIENCES INC.

“Randy Rosiek”

Per: Authorized Signatory

Randy Rosiek, CEO

Name and Title (please print)

[signature blocks and schedule of Vendors removed]

Schedule B
Disclosure Schedule

This Disclosure Schedule is made pursuant to the Share Exchange Agreement dated June 4, 2021 (the “Agreement”) among the Company (as defined therein), the Vendors (as defined therein) and the Purchaser (as defined therein).

All capitalized terms not defined below shall have the meanings set out in the Agreement. The section numbers below correspond to the section numbers in the Agreement.

Section 4.1(c)(i)

Nil.

Section 4.4(b)

The Company has the following Permits:

Health Canada Authorization #51671.03.21, authorizing the Company to carry out laboratory research with psilocybin on certain terms and conditions, and to possess psilocybin for the purposes of such research.

Section 4.4(e)

Nil.

Section 4.4(f)

The Company has the following Material Contracts:

- (a) Consulting Agreement between the Company and Robert A. Dobart IV dated July 1, 2020
- (b) Consulting Agreement between the Company and Michael McCune dated July 1, 2020
- (c) Agreement between the Company and International Centre for Genetic Engineering and Biotechnology dated November 22, 2020
- (d) Research and Development Agreement between the Company and Integrative Therapy Discovery Lab S.R.L. dated December 8, 2020
- (e) Intellectual Property Acquisition Agreement between the Company and Robert A. Dobart IV dated June 22, 2020
- (f) Sale of Goods Agreement between the Company and Entourage Biosciences Inc. dated January 31, 2021
- (g) Sublease Agreement between the Company and Entourage Biosciences Inc. dated February 1, 2021

Section 4.4(k)

Nil.

Section 4.4(r)

<u>Name of Contractor</u>	<u>Position</u>	<u>Current Rate of Compensation</u>	<u>Under Written Agreement</u>
Robert A. Dobart IV	Chief Scientific Officer	US\$5,000 per month	Yes
Michael McCune	Head of Operations and Extraction	\$6,500 per month	Yes

Section 4.4(s)

PureA1 1500 Series Distillation Unit

SepaBean T-a ceramic pump, EZMFP2 - EZ Flash Pumpc, RD2 detector

Buchi R-215 rotary evaporator
AT32 3.2 cu ft vacuum oven
SolventVap SE05 2-litre rotary evaporator
Agilent G1946D mass spectrometer
G3 Distillation Kit, Electronics Kit, & Mechanical Cold Trap Kit

Section 4.4(t)

The Company has the following leases:

- (a) Sublease Agreement between the Company and Entourage Biosciences Inc. dated February 1, 2021

Section 4.4(w)

The Company has the following intellectual property:

1. an automated extraction process for tryptamines using a proprietary extraction vessel that can isolate psilocybin from mushroom biomass at large scale
2. a process to extract psilocybin and other structurally similar substituted tryptamines from fungi, followed by their conversion to the metabolic pro-drug 4-PO-psilocin
3. a high throughput chromatography pump for the purification of psilocybin
4. a multi-phase process to extract ibogaine alkaloids from the root bark of the tabernanthe iboga shrub
5. a process to synthesize psilocybin from alternate sources such as bacteria and E. Coli
6. a three-step process to synthesize DMT and 5-MeO-DMT in large quantities from the amino acids tryptophan and 5-methoxy-indole
7. a process to semi-synthesize various ibogaine metabolic alkaloids (of which noribogamine is one) from naturally derived ibogaine
8. a process to synthesize ibogaine metabolites known as 12 & 13-hydroxyibogamine
9. several formulations, incorporating psilocin or psilocybin, which can be delivered via a sublingual or buccal strip
10. a formulation of psilocybin that uses the phosphorylated form of tryptamines, in order to prevent abuse by injection or insufflation
11. psilocybin and psilocin as a Zwitterion compound and as a structural salt which is water-soluble and possessing a higher degree of bioavailability
12. pharmaceutical formulations that incorporate ibogaine and its metabolites that increase bioavailability and range in effects
13. a process to grow certain strains of mushroom, which by manipulating their genetic makeup, will yield a standardized amount of psilocybin

Schedule C
Form of Escrow Agreement

AMENDMENT #1 TO SHARE EXCHANGE AGREEMENT

This Amendment is made as of August 16, 2021

AMONG

Endocan Solutions Inc., a corporation organized under the laws of British Columbia
(the “**Purchaser**”)

AND

Nirvana Life Sciences Inc., a corporation organized under the laws of British Columbia
(the “**Company**”)

AND

The shareholders of the Company listed in Appendix A attached hereto
(each a “**Vendor**” and collectively the “**Vendors**”)

WHEREAS:

- A. The Parties entered into a Share Exchange Agreement dated June 4, 2021 (the “SEA”) pursuant to which the Purchaser acquired the Shares held by the Vendors on the terms and conditions set forth in the SEA;
- B. The Parties wish to clarify that the Purchaser acquired the Shares from certain shareholders of the Company, and not all of the issued and outstanding Shares of the Company;
- C. Pursuant to section 10.1 of the SEA, the Vendors have severally and irrevocably appointed the Company as its agent and attorney to take any action that is required under the SEA; to execute and deliver any documents on their behalf; and to do and cause to be done all such acts and things as may be necessary or desirable in connection with the closing matters for the acquisition;
- D. The Company’s board of directors has authorized and directed its Chief Executive Officer to execute this Amendment on behalf of all the Vendors;

IN CONSIDERATION of the premises, mutual covenants and agreements contained herein, and other good and valuable consideration (the receipt and sufficiency of which is hereby mutually acknowledged) the parties agree as follows:

Part 1 INTERPRETATION

- 1.1 **Definitions.** Any capitalized term not defined in this Amendment shall have the meaning ascribed to it in the SEA.
- 1.2 **Time of Essence.** Time is of the essence of this Agreement.
- 1.3 **Context.** This Agreement is to be read with all changes in gender or number as required by the context. The headings in this Agreement are for convenience of reference only and do not affect the interpretation of this Agreement.
- 1.4 **Currency.** Unless otherwise indicated, all dollar amounts referred to in this Agreement are in the lawful currency of Canada.

- 1.5 **Governing Law.** This Agreement, any amendment, addendum or supplement hereto, and all other documents relating hereto will be governed by and construed in accordance with the laws of British Columbia and the federal laws of Canada applicable therein. Each Party irrevocably attorns and submits to the non-exclusive jurisdiction of the British Columbia courts situated in the City of Vancouver (and appellate courts therefrom) and waives objection to the venue of any proceeding in such court or that such court provides an inappropriate forum.
- 1.6 **Statutes.** Unless otherwise stated, any reference to a statute includes and is a reference to such statute and to the regulations made pursuant to it, with all amendments thereto and in force from time to time, and to any statute or regulations that may be passed which supplement or supersede such statute or such regulations.
- 1.7 **No Contra Proferentum.** The language in all parts of this Agreement shall in all cases be construed as a whole and neither strictly for nor strictly against any of the parties to this Agreement.
- 1.8 **Preamble, Recitals and Exhibits.** The preamble, recitals and appendices attached hereto are an integral part of and are expressly incorporated into this Amendment:
- Appendix A List of Vendors

Part 2 AMENDMENT OF TERMS

- 2.1 **Amendment of Recital A.** Recital A of the SEA is hereby amended and replaced in its entirety with the following:
- The Vendors are the legal and beneficial owners in aggregate of 39,455,095 common shares without par value in the capital of the Company (each a “Share”); and
- 2.2 **Amendment of Section 1.1(kk).** Section 1.1(kk) of the SEA is hereby amended and replaced in its entirety with the following:
- “Subject Shares” means all of the Shares held by the Vendors.
- 2.3 **Amendment of Section 1.1(ff).** Section 1.1(ff) of the SEA is hereby amended and replaced in its entirety with the following:
- “Purchase Price” means \$9,863,773.75 being an amount equal to \$0.25 per Consideration Share.
- 2.4 **Amendment of Schedule A.** Schedule A of the SEA is hereby deleted and replaced in its entirety with the contents of Appendix A attached hereto.

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2.5 **Execution by Counterparts.** This Agreement may be executed and delivered in one or more counterparts and may be executed and delivered by facsimile or any other electronically communicated method, each of which when executed and delivered shall be deemed an original and all of which counterparts together shall be deemed to constitute one and the same instrument.

The parties have executed this Agreement on the date first written above.

ENDOCAN SOLUTIONS INC.

“Bruce Clark”

Per: Authorized Signatory

Bruce Clark, CEO

Name and Title (please print)

NIRVANA LIFE SCIENCES INC.

“Randy Rosiek”

Per: Authorized Signatory

Randy Rosiek, CEO

Name and Title (please print)

[signature blocks and schedule of Vendors removed]

AMENDMENT #2 TO SHARE EXCHANGE AGREEMENT

This Amendment is made as of January 10, 2022

AMONG

Endocan Solutions Inc., a corporation organized under the laws of British Columbia
(the “**Purchaser**”)

AND

Nirvana Life Sciences Inc., a corporation organized under the laws of British Columbia
(the “**Company**”)

AND

The shareholders of the Company listed in Appendix A attached hereto
(each a “**Vendor**” and collectively the “**Vendors**”)

WHEREAS:

- A. The Parties entered into a Share Exchange Agreement dated June 4, 2021 (the “SEA”) pursuant to which the Purchaser acquired the Shares held by the Vendors on the terms and conditions set forth in the SEA;
- B. The SEA was amended on August 9, 2021 (the “First Amendment”);
- C. The Parties wish to further amend the SEA to revise the number of Shares held by one shareholder of the Company;
- D. Pursuant to section 10.1 of the SEA, the Vendors have severally and irrevocably appointed the Company as its agent and attorney to take any action that is required under the SEA; to execute and deliver any documents on their behalf; and to do and cause to be done all such acts and things as may be necessary or desirable in connection with the closing matters for the acquisition;
- E. The Company’s board of directors has authorized and directed its Chief Executive Officer to execute this Amendment on behalf of all the Vendors;

IN CONSIDERATION of the premises, mutual covenants and agreements contained herein, and other good and valuable consideration (the receipt and sufficiency of which is hereby mutually acknowledged) the parties agree as follows:

Part 1 INTERPRETATION

- 1.1 **Definitions.** Any capitalized term not defined in this Amendment shall have the meaning ascribed to it in the SEA.
- 1.2 **Time of Essence.** Time is of the essence of this Agreement.
- 1.3 **Context.** This Agreement is to be read with all changes in gender or number as required by the context. The headings in this Agreement are for convenience of reference only and do not affect the interpretation of this Agreement.
- 1.4 **Currency.** Unless otherwise indicated, all dollar amounts referred to in this Agreement are in the lawful currency of Canada.

- 1.5 **Governing Law.** This Agreement, any amendment, addendum or supplement hereto, and all other documents relating hereto will be governed by and construed in accordance with the laws of British Columbia and the federal laws of Canada applicable therein. Each Party irrevocably attorns and submits to the non-exclusive jurisdiction of the British Columbia courts situated in the City of Vancouver (and appellate courts therefrom) and waives objection to the venue of any proceeding in such court or that such court provides an inappropriate forum.
- 1.6 **Statutes.** Unless otherwise stated, any reference to a statute includes and is a reference to such statute and to the regulations made pursuant to it, with all amendments thereto and in force from time to time, and to any statute or regulations that may be passed which supplement or supersede such statute or such regulations.
- 1.7 **No Contra Proferentum.** The language in all parts of this Agreement shall in all cases be construed as a whole and neither strictly for nor strictly against any of the parties to this Agreement.
- 1.8 **Preamble, Recitals and Exhibits.** The preamble, recitals and appendices attached hereto are an integral part of and are expressly incorporated into this Amendment:
- Appendix A List of Vendors

Part 2 AMENDMENT OF TERMS

- 2.1 **Replacement of First Amendment.** This Amendment replaces and supersedes the First Amendment in its entirety.
- 2.2 **Amendment of Recital A.** Recital A of the SEA is hereby amended and replaced in its entirety with the following:
- The Vendors are the legal and beneficial owners in aggregate of 25,905,095 common shares without par value in the capital of the Company (each a “Share”); and
- 2.3 **Amendment of Section 1.1(kk).** Section 1.1(kk) of the SEA is hereby amended and replaced in its entirety with the following:
- “Subject Shares” means all of the Shares held by the Vendors.
- 2.4 **Amendment of Section 1.1(ff).** Section 1.1(ff) of the SEA is hereby amended and replaced in its entirety with the following:
- “Purchase Price” means \$6,476,273.75, being an amount equal to \$0.25 per Consideration Share.
- 2.5 **Amendment of Schedule A.** Schedule A of the SEA is hereby deleted and replaced in its entirety with the contents of Appendix A attached hereto.

[the rest of this page left intentionally blank]

2.6 **Execution by Counterparts.** This Agreement may be executed and delivered in one or more counterparts and may be executed and delivered by facsimile or any other electronically communicated method, each of which when executed and delivered shall be deemed an original and all of which counterparts together shall be deemed to constitute one and the same instrument.

The parties have executed this Agreement on the date first written above.

ENDOCAN SOLUTIONS INC.

“Bruce Clark”

Per: Authorized Signatory

Bruce Clark, CEO

Name and Title (please print)

NIRVANA LIFE SCIENCES INC.

“Randy Rosiek”

Per: Authorized Signatory

Randy Rosiek, CEO

Name and Title (please print)

[signature blocks and schedule of Vendors removed]