# BUSINESS COMBINATION AGREEMENT

**AMONG**

**KOOTENAY ZINC CORP.**

**- and -**

**1251750 B.C. Ltd.**

**- and -**

**CANNDORA DELIVERY LTD.**

**- and -**

**THE PERSONS LISTED ON ANNEX 1 ATTACHED HERETO**

Dated as of June 23, 2020

**TABLE OF CONTENTS**

**Page**

# BUSINESS COMBINATION AGREEMENT

**THIS BUSINESS COMBINATION AGREEMENT** (the "**Agreement**") is dated as of June 23, 2020 (the "**Agreement Date**") among: (i) Kootenay Zinc Corp. ("**Kootenay**"); (ii) 1251750 B.C. Ltd. ("**Subco**") (iii) Canndora Delivery Ltd. ("**Canndora**" or the "**Company**"); and (iv) the Canndora Shareholders (as hereinafter defined).

**WHEREAS** Kootenay and Canndora, along with Greeny Collaboration Group (Canada) Inc. ("**Canndora**") and Lifted Innovations Inc. ("**Lifted**") have executed a binding letter agreement dated May 18, 2020, as subsequently amended by an amending agreement (collectively, the "**Letter Agreement**") pursuant to which Kootenay, Canndora, Greeny and Lifted have agreed to complete a business combination (the "**Business Combination**"), resulting in a reverse takeover and change of business of Kootenay (to be renamed PeakBirch Logic Inc. upon closing of the Business Combination);

**AND WHEREAS** in connection and in conjunction with the closing of the Business Combination, Kootenay will complete a 23-1 share consolidation (the "**Consolidation**") to reduce the number of common shares of Kootenay issued and outstanding from 14,964,324 pre-consolidated common shares to 650,623 post-consolidated common shares (which post-consolidated common shares are referred to herein as "**PeakBirch Shares**");

**AND WHEREAS** the Canndora Shareholders own beneficially and of record all of the issued and outstanding common shares of Canndora, as specified in Annex 1;

**AND WHEREAS** SubCo is a wholly owned subsidiary of Kootenay; and,

**AND WHEREAS** as a part of, and conditional upon the closing of the Business Combination, Kootenay, through SubCo, wishes to (i) acquire all of the outstanding shares in the capital of the Company in exchange for Kootenay Shares (as hereinafter defined) by way of amalgamation under the BCBCA (as hereinafter defined) upon the terms and conditions set forth herein, such that, upon completion of the Amalgamation (as hereinafter defined), Kootenay will hold all of the issued and outstanding shares in the capital of the corporation that results from the Amalgamation, all upon the terms and conditions set forth herein.

**NOW, THEREFORE**, in consideration of the representations, warranties, covenants and agreements set forth herein, and intending to be legally bound hereby, the Parties hereby agree as follows:

## ARTICLE 1
## DEFINITIONS

### 1.1 Definitions.

For purposes of this Agreement, the following terms will have the following meanings:

"**Acquisition Proposal**" has the meaning specified in Section 6.5.

"**Action**" means any claim, action, arbitration, mediation, audit, hearing, investigation, proceeding, litigation or suit (whether civil, criminal, administrative or investigative) commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Authority or mediator.

"**Affiliate**" means, with respect to any specified Person, any other Person that, at the time of determination, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such specified Person, including: (i) in the case of Kootenay after the Closing, the Company; and (ii) in the case of a natural Person, any trust maintained for the benefit of such natural Person or such natural Person's spouse or descendants (whether natural or adopted). For purposes of this Agreement, the term "control" (including, with correlative meanings, the terms "controlled by" and "under common control with") means the power to direct or cause the direction of the management and policies of a Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

"**Agreement**" has the meaning specified in the Preamble to this Agreement.

"**Agreement Date**" has the meaning specified in the Preamble to this Agreement.

"**Amalco**" has the meaning specified in Section 2.1.4.

"**Amalco Shares**" means the common shares of Amalco.

"**Amalgamation**" means the amalgamation of the Company, SubCo and Greeny pursuant to the provisions of the BCBCA as of the Effective Date.

"**Amalgamation Agreement**" means the amalgamation agreement to be entered into as of the Effective Date between Kootenay, SubCo, the Company and Greeny in substantially the same form attached hereto as Exhibit A.

"**Amalgamation Application**" means the amalgamation application to be submitted by the Company, SubCo and Greeny to the registrar under the BCBCA with respect to the Amalgamation, prepared and conforming to the terms set forth in this Agreement.

"**Amalgamation Resolution**" means the special resolution of the Canndora Shareholders passed by way of a Written Consent Resolution with respect to, among other matters, the approval of the Amalgamation.

"**Applicable Laws**" means, with respect to any Person, any law (statutory, common or otherwise), rule, regulation, ordinance, order, injunction, judgment, award, decree, permit or determination of (or agreement with) a Governmental Authority, in each case binding on that Person or any of its assets or properties, including any stock exchange requirements.

"**associate**" has the meaning given to such term in the *Securities Act* (British Columbia).

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

"**Business Combination**" has the meaning specified in the Preamble to this Agreement.

"**Business Day**" means any day other than a Saturday, Sunday or a day on which banks in the Province of British Columbia are authorized or required by Applicable Laws to be closed.

"**Canndora"** has the meaning specified in the Preamble to this Agreement.

"**Canndora Disclosure Schedule**" means the disclosure schedule attached hereto as Annex 3, dated as of the Agreement Date, delivered by the Representative to Kootenay prior to the execution and

delivery of this Agreement. The Canndora Disclosure Schedule will be arranged in sections and subsections corresponding to the numbered and lettered sections and subsections contained in ARTICLE 3. The Parties agree that an item disclosed in one section or subsection of the Canndora Disclosure Schedule will apply only with respect to the indicated section or subsection, except to the extent that it is reasonably apparent on the face of the disclosure that such disclosure is also applicable to another section or subsection of the Canndora Disclosure Schedule.

"**Canndora Financial Statements**" means audited financial for the period from February 28th, 2020 to April 30th, 2020.

"**Canndora Released Person**" has the meaning specified in Section 10.2.

"**Canndora Shareholders**" means the registered holders of Canndora Shares which, as of the date of this Agreement, means the holders set out in Annex 1 hereof.

"**Canndora Shares**" means the common shares of Canndora.

"**Certificate of Amalgamation**" means the certificate of amalgamation to be issued by the registrar to Amalco pursuant to Section 281(a) of the BCBCA.

"**Closing**" means the completion of the Contemplated Transactions on the Effective Date.

"**Company**" has the meaning specified in the Preamble to this Agreement.

"**Company Business**" means the business carried on by the Company as of the Agreement Date and as of the Effective Date, being the business of developing and operating an e-commerce retail platform for hemp-based CBD-related products in North America.

"**Company Intellectual Property**" has the meaning specified in Section 3.14.

"**Company Material Adverse Effect**" means any change, event, development, occurrence, state of facts, condition or effect (each, a "**Company Effect**") that is, or would reasonably be expected to be, individually or in the aggregate with all other Company Effects, materially adverse to the Company or the financial condition or results of operations of the Company taken as a whole.

"**Company Securities**" has the meaning specified in Section 3.4.3.

"**Consolidation**" has the meaning specified in the Preamble to this Agreement.

"**Contemplated Transactions**" means collectively, the Amalgamation, the issuance of the Payment Shares and all other transactions and actions contemplated by the Transaction Documents.

"**Contract**" means any contract, agreement, policy, lease, commitment, understanding or arrangement, whether written or oral to which a Party or any Affiliate thereof is a party, or is bound or affected by, or to which any of their respective properties or assets is subject.

"**Damages**" means, whether or not involving a third party claim, any loss, cost, liability, claim, interest, fine, penalty, assessment, Taxes, Damages available at law or in equity, or expense (including consultant's and expert's fees and expenses and reasonable costs, fees and expenses of legal counsel).

"**Effective Date**" means the effective date set forth in the Certificate of Amalgamation.

"**Effective Time**" means the time of completion of the Amalgamation.

"**Employee Benefit Plan**" means every plan, fund, contract, program and arrangement (whether written or not) for the benefit of present or former directors, officers or employees of the Company.

"**Enforceability Limitations**" means limitations on enforcement and other remedies by or arising under or in connection with applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other similar Applicable Laws affecting creditors' rights generally or general principles of equity.

"**Environmental Law**" 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.

"**Financing**" means the proposed unit financing of Kootenay (to be renamed PeakBirch Logic Inc.) of a minimum of CAD $500,000 and up to CAD $1,500,000 at a price per unit of CAD $1.15, with each unit consisting of 1 PeakBirch Share, and 1 share purchase warrant, entitling the holder thereof to acquire 1 PeakBirch Share at a price of CAD $1.40 for a period of 3 years from the closing of the Financing.

"**Fraud Claim**" means any claim against any one or more of the Parties resulting from, in respect of, connected with, arising out of, under, or pursuant to fraud or fraudulent misrepresentation, intentional misrepresentation, willful breach or criminal conduct by such Person or Persons.

"**Greeny**" has the meaning specified in the Preamble to this Agreement.

"**GAAP**" means generally accepted accounting principles as set forth in the CPA Canada Handbook - Accounting for an entity that prepares its financial statements in accordance with Canadian accounting standards for private enterprises, at the relevant time applied on a consistent basis.

"**Governmental Authority**" means any foreign, federal, state, provincial, federal, local or other government, regulatory or administrative authority, agency or commission, or any court, tribunal or judicial or arbitral body with competent jurisdiction.

"**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 Governmental Authority to be hazardous under any Environmental Law.

"**Indebtedness**" means, without duplication, in respect of a Person: (i) all obligations (including the principal amount thereof and, if applicable, the accreted amount thereof and the amount of accrued and unpaid interest thereon) of such Person, whether or not represented by bonds, debentures, notes or other securities or instruments (and whether or not convertible into any other security or instruments), for the repayment of money borrowed, whether owing to banks, to financial institutions, to Governmental Authorities, on equipment leases or otherwise; (ii) all deferred indebtedness of such Person for the payment of the purchase price of property or assets purchased (other than current accounts payable that were

incurred in the ordinary course of business); (iii) all obligations of such Person to pay rent or other amounts under a lease which is required to be classified as a capital lease or a liability on a balance sheet prepared in accordance with GAAP, consistently applied; (iv) all outstanding reimbursement obligations of such Person with respect to letters of credit, bankers' acceptances or similar facilities issued for the account of such Person; (v) all obligations, contingent or otherwise, of such Person to repay any grant or subsidy; (vi) all obligations of such Person under any interest rate swap agreement, forward rate agreement, interest rate cap or collar agreement, or other financial agreement or arrangement entered into for the purpose of limiting or managing interest rate risks; (vii) all obligations secured by any Lien existing on property or assets owned by such Person, whether or not indebtedness secured thereby has been assumed; (viii) all guaranties, endorsements, assumptions and other contingent obligations of such Person in respect of, or to purchase or to otherwise acquire, indebtedness of others; and (ix) all premiums, penalties, fees, expenses, breakage costs and change of control payments required to be paid in respect of any of the foregoing on prepayment (regardless if any of such are actually paid), as a result of the consummation of the Contemplated Transactions.

"**Intellectual Property**" means, collectively, all rights in or affecting intellectual or industrial property or other proprietary rights existing in any jurisdiction, including with respect to the following: (i) patents and applications therefor, and patents issuing thereon, including continuations, divisionals, continuations-in-part, reissues, reexaminations, renewals and extensions, and the right to file other or further applications and claim priority thereto; (ii) trademarks, service marks, trade names, service names, brand names and trade dress rights, and all applications, registrations and renewals thereof; (iii) copyrights and registrations and applications therefor, works of authorship, "moral" rights and mask work rights; (iv) domain names, uniform resource locators and social media accounts or handles, including applications and registrations thereof; (v) telephone numbers; (vi) trade secrets; and (vii) the right to file applications and obtain registrations for any of the foregoing, as applicable.

"**Knowledge of the Company**" means the actual knowledge of the directors and officers of the Company, after reasonable internal and, as applicable, external, inquiry consistent with such individual's relationship or position with the Company, so that, as a result of such inquiry, such individual is able to express an informed understanding as to the particular matters represented.

"**Knowledge of Kootenay**" means the actual knowledge of the directors and officers of Kootenay after reasonable internal and, as applicable, external, inquiry consistent with such individual's relationship or position with Kootenay, so that, as a result of such inquiry, such individual is able to express an informed understanding as to the particular matters represented.

"**Kootenay**" has the meaning specified in the Preamble to this Agreement.

"**Kootenay Business**" means the business carried on by Kootenay as of the Agreement Date and as of the Effective Date.

"**Kootenay Disclosure Record**" means the public disclosure of Kootenay posted on its reporting issuer profile at www.SEDAR.com.

"**Kootenay Financial Statements** means audited annual financial statements as at February 28th, 2019 and the interim financial statements for the nine months ended November 30th, 2019.

"**Kootenay Group Member**" means Kootenay, Subco, and the wholly owned subsidiaries of Kootenay, from time to time, including without limitation the subsidiaries described in the Kootenay Disclosure Record and, for the purposes of Section 6.5 herein, shall include Greeny and Lifted.

"**Kootenay Material Adverse Effect**" means any change, event, development, occurrence, state of facts, condition or effect (each, a "**Kootenay Effect**") that is, or would reasonably be expected to be, individually or in the aggregate with all other Kootenay Effects, materially adverse to Kootenay or the financial condition or results of operations of Kootenay taken as a whole.

"**Kootenay Released Person**" has the meaning specified in Section 10.1.

"**Kootenay Shareholders**" means the registered holders of Kootenay Shares.

"**Kootenay Shares**" means the common shares of Kootenay.

"**Kootenay Shares for Debt Transactions**" means the proposed full and final settlement of certain debt of Kootenay prior to or concurrently with the closing of the Business Combination in exchange for 69,441 PeakBirch Shares.

"**Letter Agreement**" has the meaning specified in the Preamble to this Agreement.

"**Liability**" means any liability, debt, obligation or commitment of any nature whatsoever (whether direct or indirect, known or unknown, accrued or unaccrued, absolute or contingent, or matured or unmatured), including any arising under any Applicable Laws, License, Action or Contract.

"**License**" means any license, permit, consent, approval, certification or other authorization of any Governmental Authority.

"**Lifted"** has the meaning specified in the Preamble to this Agreement.

"**Lifted Takeover Bid**" means the offer by Kootenay, by way of takeover bid, to acquire 100% of the outstanding common shares of Lifted.

"**Lien**" means, with respect to any asset or property, any lien, mortgage, pledge, hypothecation, charge, security interest or encumbrance of any kind in respect of such asset or property.

"**Minimum Tender Condition**" means the take-up, by Kootenay, of not less than 50.1% of the common shares of Lifted (on a fully diluted basis) pursuant to the Lifted Takeover Bid.

"**Notice**" has the meaning specified in Section 11.2.

"**Ordinary Course of Business**" means the ordinary course of business consistent with past custom and practice (including with respect to quantity and frequency) of the Person in question, taking into account actions taken in connection with such Person's pursuit and implementation of the Contemplated Transactions.

"**Organizational Documents**" means: (i) the articles or certificate of incorporation and the bylaws of a corporation; (ii) the partnership agreement and any statement of partnership of a general partnership; (iii) the limited partnership agreement and the certificate of limited partnership of a limited partnership; (iv) the limited liability company agreement and articles or certificate of formation of a limited liability company;

(v) any charter, indenture or similar document adopted or filed in connection with the creation, formation or organization of a Person; and (vi) any amendment to any of the foregoing.

"**Party**" means a party to this Agreement, and "**Parties**" means all of the parties to this Agreement.

"**Payment Shares**" means 18,260,870 PeakBirch Shares with a deemed value of $1.15 per PeakBirch Share to be issued and delivered to the Canndora Shareholders in connection with the Contemplated Transactions pursuant to Section 2.1.5.2 at the Effective Time.

"**PeakBirch Shares**" has the meaning specified in the Preamble to this Agreement.

"**Permitted Liens**" means: (i) statutory Liens for current Taxes that are not yet due and payable as of the Effective Date or are being contested in good faith by appropriate proceedings; (ii) other Liens that arise or are incurred in the Ordinary Course of Business (other than in connection with any Indebtedness), are not material in amount and do not adversely affect the title of, materially detract from the value of or materially interfere with any present use of, the assets or properties affected by such Lien.

"**Person**" means an individual, partnership, limited partnership, limited liability partnership, corporation, limited liability company, unlimited liability company, joint stock company, trust, unincorporated association, joint venture or other entity or Governmental Authority, and pronouns have a similarly extended meaning.

"**Proportionate Share**" means, in respect to each Canndora Shareholder, the quotient, expressed as a percentage, which is obtained when the number of Canndora Shares owned by the Canndora Shareholder is divided by the aggregate number of Canndora Shares held by all of the Canndora Shareholders. For greater certainty, the Proportionate Share of each Canndora Shareholder is set out in Annex 1 attached hereto.

"**Representative**" means the representative of the Canndora Shareholders, being David Jenkins, or such other Person as may be appointed as the Representative pursuant to Section 11.11.5.

"**Solicit**" means any direct or indirect communication of any kind whatsoever that invites, advises, encourages or requests any Person, in any manner, to take or refrain from taking any action.

"**SubCo**" has the meaning specified in the Preamble to this Agreement.

"**SubCo Shares**" means common shares in the capital of SubCo.

"**Subject Securities**" has the meaning specified in Section 2.1.3.1.

"**Subsidiary**" means, in respect of any Person, any corporation, partnership, trust, unlimited liability company, limited liability company or other non-corporate business enterprise in which such Person owns stock or other ownership interests representing: (a) more than 50% of the voting power of all outstanding stock or ownership interest of such entity; or (b) the right to receive more than 50% of the net assets of such entity available for distribution to the holders of outstanding stock or ownership interests upon liquidation or dissolution of such entity.

"**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 Governmental 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 Governmental 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.

"**Tax Act**" means the Income *Tax Act* (Canada).

"**Tax Affiliate**" of a Person means any other Person that is or at any time was a member of an affiliated, combined or unitary group of which the first Person is or at any time was a member.

"**Tax Contest**" means any audit, investigation, claim, challenge, dispute or controversy relating to Taxes.

"**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 Governmental Authority relating to Taxes.

"**Termination Date**" has the meaning specified in Section 6.1.1.

"**Transaction Documents**" means, collectively, this Agreement and each other agreement, certificate or other document required pursuant to this Agreement to be executed and delivered on Closing.

"**Transaction Expenses**" means the aggregate of all expenses incurred by the Company, or for which the Company is responsible for paying on behalf of any other Person, in connection with the Contemplated Transactions (excluding any such costs incurred personally by the Canndora Shareholders), including all investment banking, legal, accounting and other advisory fees incurred in respect of the transactions contemplated by this Agreement.

"**U.S. Person**" means a "U.S. person" as defined in Rule 902(k) of Regulation S under the U.S. Securities Act.

"**U.S. Securities Act**" means the United States Securities Act of 1933.

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

"**Written Consent Resolution**" means a written consent resolution signed by each of the Canndora Shareholders approving the Contemplated Transactions and the Business Combination.

1.2 **Annexes and Exhibits.**

The following Annexes and Exhibits form an integral part of this Agreement:

**ANNEXES**

| | |
|---|---|
| Annex 1 | Canndora Shareholders |
| Annex 2 | Payment Shares |
| Annex 3 | Canndora Disclosure Schedule |

**EXHIBITS**

| | |
|---|---|
| Exhibit A | Form of Amalgamation Agreement |

## ARTICLE 2
## AMALGAMATION

### 2.1 Amalgamation.

2.1.1 The Parties agree to effect the Contemplated Transactions in accordance with and subject to this Agreement.

2.1.2 Subject to compliance by the directors and officers of the Company with their fiduciary duties and the terms of this Agreement, the Company shall use commercially reasonably efforts to obtain the Amalgamation Resolution.

2.1.3 Each of the Canndora Shareholders irrevocably covenants and agrees to and for the benefit of Kootenay and SubCo that, until the termination of this Agreement in accordance with its terms, the Canndora Shareholder shall:

2.1.3.1 as applicable, sign the Written Consent Resolution authorizing the Amalgamation with respect to all of the Canndora Shares registered in the name of such Canndora Shareholder (as to each Canndora Shareholder, the "**Subject Securities**");

2.1.3.2 vote or cause to be voted (in person or by proxy), to the extent applicable, all of the Subject Securities against, any action that is reasonably likely to impede, interfere with, delay, postpone, or adversely affect, in any material respect, the Contemplated Transactions and the Business Combination;

2.1.3.3 not grant or agree to grant any proxy or other right to vote the Subject Securities that is inconsistent with the terms hereof, or enter into any voting trust, vote pooling or other agreement with respect to the right to vote, call meetings of holders of Canndora Shares or give consents or approvals of any kind as to the Subject Securities; and

2.1.3.4 not exercise any rights of dissent or appraisal in respect of the Amalgamation Resolution or any aspect thereof or any matter related thereto, or in any manner delay, hinder, prevent, interfere with or challenge any aspect of the Contemplated Transactions or Business Combination.

2.1.4 On or prior to two (2) Business Days following the satisfaction or waiver of each condition precedent set forth in ARTICLE 7, the Company, SubCo and Greeny will amalgamate, pursuant to the provisions of the BCBCA, by jointly completing and filing the Amalgamation Application with the registrar, and shall continue as one corporation ("**Amalco**") effective at the Effective Time, giving effect to the Amalgamation subject to the terms of this Agreement and the Amalgamation Agreement.

2.1.5 At the Effective Time and concurrently with the completion of the Amalgamation:

2.1.5.1 each Canndora Shareholder shall be entitled to receive such number of Payment Shares as is set out in Annex 2;

2.1.5.2 Kootenay will issue and register the Payment Shares in accordance with Annex 2 hereof and Kootenay will cause its transfer agent to promptly deliver a share certificate or

evidence of each electronically registered position on the records of Kootenay to each Canndora Shareholder;

2.1.5.3 pursuant to the Amalgamation Agreement, upon the completion of the Amalgamation, all issued and outstanding Canndora Shares in the capital of the Company shall be cancelled;

2.1.5.4 pursuant to the Amalgamation Agreement, upon the completion of the Amalgamation, each issued and outstanding SubCo Share shall be exchanged for, and Kootenay shall be entitled to receive, one fully paid and non-assessable Amalco Share, and upon the completion of the Amalgamation all of the issued and outstanding SubCo Shares shall be cancelled;

2.1.5.5 Kootenay shall add to the stated capital maintained in respect of the Kootenay Shares an amount equal to the aggregate paid-up capital for purposes of the Tax Act of the Canndora Shares immediately prior to the Effective Time;

2.1.5.6 Amalco shall add to the stated capital maintained in respect of the Amalco Shares an amount such that the stated capital of the Amalco Shares shall be equal to the aggregate paid-up capital for purposes of the Tax Act of the SubCo Shares and Canndora Shares immediately prior to the Effective Time;

2.1.5.7 Kootenay and Amalco shall be entitled to deduct and withhold from any consideration otherwise payable pursuant to the transactions contemplated by this Agreement to any Canndora Shareholder such amounts as they determine, acting reasonably upon the advice of professional Tax counsel, are required to be deducted and withheld with respect to such payment under the Tax Act or any provision of provincial, state, local or foreign tax law, in each case as amended; to the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the Canndora Shareholder in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority. Kootenay and Amalco shall use commercially reasonable efforts to cooperate with any Canndora Shareholder from which amounts are required to be withheld in providing such data and other information as may reasonably be required for the preparation of any Tax Return.

2.1.6 At the Effective Time:

2.1.6.1 subject to Section 2.1.5, the Canndora Shareholders shall become the registered holders of the Payment Shares to which they are entitled hereunder, calculated in accordance with the provisions of this Agreement; and

2.1.6.2 Kootenay shall become the registered holder of the Amalco Shares to which it is entitled, calculated in accordance with the provisions of this Agreement.

### 2.2 **United States Restrictions.**

Notwithstanding anything to the contrary in this Agreement, no Payment Shares shall be delivered to any Person in the United States or to any U.S. Person if Kootenay determines, in its sole discretion, that doing so may result in any contravention of the U.S. Securities Act or any applicable state securities laws,

and Kootenay may instead appoint an agent to sell all Payment Shares of such Person on behalf of that Person and deliver to that Person an amount of cash representing the proceeds of such sale, net of expenses of sale.

2.3 **Closing.**

Subject to the terms and conditions of this Agreement, the Closing will take place at 11:00 a.m., Vancouver time, on the Effective Date by way of electronic exchange of documents. All documents delivered and actions taken at the Closing will be deemed to have been delivered or taken simultaneously.

2.4 **Closing Deliveries of the Company and the Canndora Shareholders.**

At or prior to the Closing, the Company and the Canndora Shareholders will deliver or cause to be delivered to Kootenay all of the following:

2.4.1 a certificate of status, good standing or like document for the Company issued as of a recent date by the applicable Governmental Authority evidencing the good standing of the Company;

2.4.2 a certificate of the President (or other Person acceptable to Kootenay) of the Company, dated the Effective Date, in form and substance reasonably satisfactory to Kootenay, as to the resolutions adopted by the board of directors and shareholders of the Company authorizing and approving the Contemplated Transactions and Business Combination, which resolutions will have been certified as true, correct and in full force and effect without rescission, revocation or amendment as of the Effective Date;

2.4.3 a certificate of the secretary of the Company, dated the Effective Date, in form and substance reasonably satisfactory to Kootenay, certifying: (i) that there have been no amendments to the Company's articles of incorporation, charter or other applicable constating documents since the Agreement Date; and (ii) the Company's notice of articles and articles as in effect as of the Effective Date;

2.4.4 the Amalgamation Application and the Amalgamation Agreement, duly executed by the Company and the Canndora Shareholders, as applicable;

2.4.5 the minute books, share certificates, ledgers and registers, corporate seal and other corporate records of the Company;

2.4.6 the certificate of the Representative required to be delivered pursuant to Section 7.3.5;

2.4.7 all consents, waivers or approvals required to be obtained by the Company with respect to the completion of the Contemplated Transactions and Business Combination, including the consents, waivers, approvals and actions of or by, and all filings with and notifications to, any Governmental Authority pursuant to Section 7.1.1;

2.4.8 a duly executed resignation and release in a form satisfactory to Kootenay from each current director and officer of the Company listed on Section 3.20 of the Canndora Disclosure Schedule;

2.4.9 resolutions and other corporate documents of the Company to evidence the issuance of the Canndora Shares to the Canndora Shareholders;

2.4.10 a duly executed assignment of intellectual property rights, in a form satisfactory to Kootenay, acting reasonably from any director, officer or Canndora Shareholder that Kootenay determines, acting reasonably;

2.4.11 a 12 month non-competition agreement from any director, officer or Canndora Shareholder that Kootenay determines, acting reasonably, with the purpose of refraining such persons from engaging in any activities or owning any interest in such business that are substantially similar to the Company Business in the United States and Canada; and

2.4.12 such other documents as may be required for the Amalgamation and the closing of the Contemplated Transactions and Business Combination.

2.5 **Closing Deliveries of Kootenay.**

At or prior to the Closing, Kootenay will deliver or cause to be delivered to the Representative all of the following:

2.5.1 a certificate of status, good standing or like document for Kootenay issued as of a recent date by the applicable Governmental Authority evidencing the good standing of Kootenay;

2.5.2 a certificate of the Chief Executive Officer (or other Person acceptable to the Company) of Kootenay, dated the Effective Date, in form and substance reasonably satisfactory to the Company, as to the resolutions adopted by the board of directors of Kootenay authorizing and approving the Contemplated Transactions and Business Combination, which resolutions will have been certified as true, correct and in full force and effect without rescission, revocation or amendment as of the Effective Date;

2.5.3 certificates, or electronic positions, from Kootenay's transfer agent, evidencing the registration of the Payment Shares in accordance with the registration instructions set out in Annex 2;

2.5.4 the Amalgamation Application and the Amalgamation Agreement, duly executed by Kootenay and SubCo, as applicable;

2.5.5 the certificate of Kootenay required to be delivered pursuant to Section 7.2.5;

2.5.6 any consents, waivers or approvals required to be obtained by any Kootenay Group Member with respect to the completion of the Contemplated Transactions, including the consents, waivers, approvals and actions of or by, and all filings with and notifications to, any Governmental Authority pursuant to Section 7.1.1;

2.5.7 the non-competition agreement referred to in Section 2.4.11 duly executed by Kootenay; and

2.5.8 such other documents as may be required for the Amalgamation and the closing of the Contemplated Transactions and Business Combination.

## ARTICLE 3
## REPRESENTATIONS AND WARRANTIES OF THE COMPANY AND THE CANNDORA SHAREHOLDERS

As an inducement to Kootenay and SubCo to enter into this Agreement and to complete the Contemplated Transactions, the Company and the Canndora Shareholders, severally and jointly, represent and warrant to Kootenay and SubCo as set forth in this ARTICLE 3. The representations and warranties of the Company and the Canndora Shareholders contained in this Agreement shall survive the completion of the Contemplated Transactions and shall expire and be terminated on the earlier of one year after the Effective Time and the date on which this Agreement is terminated in accordance with its terms.

### 3.1 Organization and Authorization.

The Company (i) is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation; (ii) has the requisite corporate power and authority to own or lease and to operate and use its assets and properties and to carry on the Company Business as currently conducted; and (iii) is duly qualified or licensed to do business and is in good standing in British Columbia, which is the only jurisdiction in which the nature of the business or the property or assets owned or leased or used by the Company makes such qualification or licensing is necessary under Applicable Laws. The Company has the requisite corporate power and authority to execute and deliver this Agreement and the Amalgamation Agreement, to perform its obligations hereunder and thereunder and to complete the Contemplated Transactions. This Agreement has been, and the Amalgamation Agreement to be executed and delivered by the Company at the Closing will be, duly and validly executed and delivered by the Company, and (assuming due authorization, execution and delivery by Kootenay and SubCo) this Agreement constitutes, and upon their execution and delivery of the Amalgamation Agreement (assuming due authorization, execution and delivery by the other parties thereto) will constitute, the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with their respective terms, subject to the Enforceability Limitations.

### 3.2 Organizational Documents and Corporate Records.

The Company has previously delivered or made available to Kootenay true and complete copies of the Company's Organizational Documents. The Company is not in default under or violation of any provision of its Organizational Documents. The Company has previously delivered or made available to Kootenay true and complete copies of the Company's minute books. The books and records of the Company are true and complete in all material respects and have been maintained in compliance with Applicable Laws.

### 3.3 No Conflicts; Required Consents.

3.3.1 The execution and delivery by the Company and each Canndora Shareholder of this Agreement and the Amalgamation Agreement to which the Company or a Canndora Shareholder is a party do not, and the completion by the Company and each Canndora Shareholder of the Contemplated Transactions will not: (i) conflict with or violate any provision of the Company's Organizational Documents; or (ii) (A) conflict with or violate any Applicable Laws binding upon or applicable to the Company or any of its assets or properties; or (B) conflict with, violate, result in a breach of the terms, conditions or provisions of, constitute a default or an event that, with notice or lapse of time or both, would become a default under, give to others any rights of acceleration, termination or cancellation or a loss of rights under, or result in the creation or imposition of any

Lien upon the Canndora Shares or any assets or properties of the Company under, any Contract or License to which the Company is a party or by which the Company or any of its assets or properties is bound.

3.3.2 Except as disclosed in the Canndora Disclosure Schedule, no consent, approval or authorization of, or registration, declaration or filing with, or notification to, any Governmental Authority or under any Contract is required to be obtained, made or given by the Company as a result of the execution, delivery and performance of this Agreement or the Amalgamation Agreement or the completion of the Contemplated Transactions.

3.4 **Capitalization.**

3.4.1 The authorized share capital of the Company consists of (i) an unlimited number Canndora Shares, of which 18,000,000 Canndora Shares are issued and outstanding as of the Agreement Date; and (ii) an unlimited number of preferred shares without par value of which none are issued and outstanding as of the Agreement Date.

3.4.2 All shares of the Company have been duly authorized, are validly issued, fully paid and non-assessable, were not issued in violation of any Applicable Laws, and, are not subject to and were not issued in violation of any preemptive rights, rights of first refusal or rights of first offer.

3.4.3 Except for the Canndora Shares there are no outstanding: (i) shares or other voting securities, or, other equity interests of the Company; (ii) securities of the Company convertible into or exercisable or exchangeable for shares or other voting securities of the Company; (iii) subscriptions, options or other rights to acquire from the Company, or other obligation of the Company to issue or deliver, any shares, other voting securities, or securities convertible into or exercisable or exchangeable for shares or other voting securities, of the Company; (iv) bonds, debentures, notes or other Indebtedness of the Company having the right to vote (or convertible into or exercisable or exchangeable for securities having the right to vote) on any matters with the shareholders of the Company; or (v) stock appreciation, "phantom" stock or other equity equivalent rights with respect to the Company (the items in clauses (i) through (v) are collectively referred to as the "**Company Securities**").

3.4.4 (i) There are no outstanding obligations of the Company to repurchase, redeem or otherwise acquire any Company Securities; (ii) there are no agreements to register any Company Securities or sales or re-sales thereof under any applicable securities laws; and (iii) there are no shareholder agreements, voting trusts or other similar agreements or understandings to which the Company or any holder of Company Securities is a party or otherwise bound in respect of any Company Securities.

3.5 **Investments**.

3.5.1 The Company does not directly or indirectly own, of record or beneficially, any securities or other equity interests in, or have any investment in or control, any Person.

3.6 **Financial Statements.**

3.6.1 The Company has previously delivered or made available to Kootenay, and attached to Section 3.6.1 of the Canndora Disclosure Schedule are, true and complete copies of the Canndora Financial Statements. The Canndora Financial Statements (i) have been prepared from, and are

in accordance with, the books of account and other financial records of the Company, which reflect only actual transactions; (ii) have been prepared in accordance with GAAP consistently applied during the periods involved; and (iii) present fairly and accurately, in all material respects, the financial condition and results of operation of the Company as of the dates thereof or for the periods covered thereby.

3.6.2 All accounts, notes and other receivables reflected on the Canndora Financial Statements have arisen from *bona fide* transactions in the Ordinary Course of Business, and are or will be valid, genuine and fully collectible in the Ordinary Course of Business without resort to litigation or extraordinary collection activity, less any reserves for doubtful accounts reflected on the Canndora Financial Statements.

3.7 **No Undisclosed Liabilities.**

3.7.1 The Company does not have any Liabilities, other than Liabilities disclosed in the Canndora Financial Statements.

3.8 **Indebtedness.**

3.8.1 (i) the Company has no Indebtedness; (ii) the Company has not guaranteed any Indebtedness of any Person; (iii) there are no Liens on any Company Securities; and (iv) other than Permitted Liens, there are no Liens on the assets or properties of the Company. There are no grounds for believing that any creditor of the Company will be prejudiced by the Amalgamation.

3.9 **Absence of Certain Changes.**

Since April 30, 2020, the Company has conducted business only in the Ordinary Course of Business, and there has not been:

(a) any change, condition, event or occurrence that has had or would reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect;

(b) any material damage, destruction or other casualty loss (whether or not covered by insurance) affecting the business or the assets or properties of the Company; or

(c) any action authorized or taken that, if authorized or taken after the Agreement Date, would constitute a breach of any covenant set forth in Section 6.1.2.

3.10 **Material Contracts.**

3.10.1 The Company is not a party to or otherwise bound by any Contract that imposes any Liability or obligation on the Company or which entitles the Company to any payment, in each case, in an amount in excess of $5,000 or more.

3.10.2 The Company is not a party to or bound by any Contract that purports to limit the ability of the Company (or would limit the ability of the Company or any Kootenay Group Member after Closing) to compete in any line of business or with any Person or to operate in any geographic area during any period of time.

3.11 **Legal Proceedings.**

There is no Action pending or, to the Knowledge of the Company, threatened against the Company. The Company is not subject to or otherwise bound by any Applicable Law that prohibits or limits in any material respect the conduct of the Company Business.

3.12 **Compliance with Laws.**

The Company has at all times conducted, and currently conducts, its business in compliance with all Applicable Laws. The Company and the Canndora Shareholders have not received any notice of any violation of and, to the Knowledge of the Company, the Company is not under investigation or review by any Governmental Authority with respect to or has been threatened to be charged with any violation of any Applicable Laws.

3.13 **Personal Property.**

All material tangible personal property used or held for use in the operation or conduct of the Company Business, as currently conducted, has been reasonably maintained, is in good operating condition (with the exception of normal wear and tear) and is suitable for its present uses.

3.14 **Intellectual Property.**

The Company exclusively owns and possesses valid and enforceable rights, title and interest in and to all Intellectual Property used in or necessary to operate its business, as disclosed in Section 3.14 of the Canndora Disclosure Schedule (the "**Company Intellectual Property**"), free and clear of any liens, charges, options and encumbrances and no third party has been granted any license on such Intellectual Property.

In addition:

(a) The Company's prior and current use of the Company Intellectual Property has not and does not infringe, violate, dilute or misappropriate the Intellectual Property of any person or entity and there are no claims pending or threatened by any person or entity with respect to ownership, validity, enforceability, effectiveness or use of the Company Intellectual Property. The Company is not aware of any facts that indicate a likelihood of any of the foregoing. No person or entity has or is infringing, misappropriating, diluting or otherwise violating any of the Company Intellectual Property, and neither the Company nor any affiliate of the Company has made or asserted any claim, demand or notice against any person or entity alleging any such infringement, misappropriation, dilution or other violation.

(b) The Company has the right to use the Company Intellectual Property. The Canndora Shareholders do not own any right, title or interest in any Company Intellectual Property. No current or former director or employee retains or claims to have any ownership or right to use the Company Intellectual Property.

(c) The Company has not disclosed or licensed, and the Company does not have a duty or obligation (whether present, contingent, or otherwise) to disclose or license the Company Intellectual Property to any person. No event has occurred, and no circumstance or condition exists, that (with or without notice or lapse of time) will, or could reasonably be expected to, result in the disclosure or license of the Company Intellectual Property to any person.

(d) The Company has taken commercially reasonable steps under the circumstances to (i) protect the secrecy, confidentiality and value of the Company Intellectual Property and the Company has not received any requests from any person for disclosure of the Company Intellectual Property.

(e) The Company is not bound by any outstanding judgment, injunction, order or decree restricting the use of the Company Intellectual Property or restricting the licensing thereof to any person or entity.

3.15 **Tax Matters.**

3.15.1 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 GAAP 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 incurred any liability for any material Taxes for the period commencing on April 30, 2020 and ending on and including the Effective Date other than in the Ordinary Course of Business or in connection with the transactions contemplated by this Agreement.

3.15.2 The Company has made (or caused to be made on its behalf) all material estimated Tax payments required to have been made to avoid any underpayment penalties.

3.15.3 There are no material Liens for Taxes upon any assets of the Company, except Liens for Taxes not yet due. 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.

3.15.4 There is no material Tax Contest pending or, to the Knowledge of the Company, threatened against the Company.

3.15.5 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 Governmental Authority to the Company regarding any such Tax, audit or other proceeding, or, to the Knowledge of the Company, 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.

3.15.6 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.

3.15.7 The Company is not a party to any material Tax allocation or sharing agreement.

3.15.8 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.

3.15.9 There are no circumstances existing which could result in the application of section 17, section 78, section 79, or sections 80 to 80.04 of the Tax Act, or any equivalent provision under applicable provincial law, to the Company. The Company has not claimed, and does not propose to claim, any reserve or credit under any provision of the Tax Act or any equivalent provincial provision, for any period prior to the Closing where any amount could be included in the income of the Company for any period ending after the Effective Date.

3.15.10 The Company has not acquired property or services from, or disposed of property or provided services to, a Person with whom it does not deal at arm's length (within the meaning of the Tax Act) for an amount that is other than the fair market value of such property or services, nor has the Company been deemed to have done so for purposes of the Tax Act.

3.16 **Environmental Matters.**

The Company is in compliance in all respects with, and has no Liability of any nature or kind under, applicable Environmental Laws. The Company has not incurred any Liability with respect to Environmental Laws.

3.17 **Employment Matters.**

The Canndora Disclosure Schedule contains a true, complete list of all Canndora employees and consultants.

(a) The Company has not entered into any written or oral agreement or understanding providing for severance or termination payments to any director, officer or employee in connection with the termination of their position or their employment as a direct result of a change in control of the Company.

(b) The Company is not (i) a party to any collective bargaining agreement, or (ii) is subject to any application for certification or, to the knowledge of the Company, threatened or apparent union organizing campaigns for employees not covered under a collective bargaining agreement. To the knowledge of the Company, as of the date hereof, no fact or event exists that would reasonably be expected to give rise to a violation of this Subsection on or before the Effective Date.

(c) The Company is not subject to any claim for wrongful dismissal, constructive dismissal or any other tort claim, actual or, to the knowledge of the Company, threatened, or any litigation actual, or to the knowledge of the Company, threatened, relating to employment or termination of employment of employees or independent contractors except where such claim or litigation would not, individually or in the aggregate, reasonably be expected to have, or have, a Company Material Adverse Effect. To the knowledge of the Company, no labour strike, lock-out, slowdown or work stoppage is pending or threatened against or directly affecting the Company.

(d) The Company has operated in accordance with all applicable Laws with respect to employment and labour, including, but not limited to, employment and labour standards, occupational health and safety, employment equity, pay equity, workers' compensation, human rights, labour relations and privacy and there are no current, pending, or to the knowledge of the Company, threatened proceedings before any board or tribunal with respect to any of the areas listed herein, except where the failure to so operate would not have a Company Material Adverse Effect.

3.18 **Pension and Employee Benefits.**

The Company does not have or maintain, nor has it ever had or maintained, any Employee Benefit Plan.

3.19 **Affiliate Transactions.**

The Company does not lease any assets or properties from, owe any amount to or use or hold in the Company Business any assets or properties of any Canndora Shareholder or any Affiliate or associate thereof.

3.20 **Directors and Officers.**

Section 3.20 of the Canndora Disclosure Schedule sets forth a true and complete list of all directors and officers of the Company.

3.21 **Insolvency.**

3.21.1 The Company is not insolvent, nor will it be rendered insolvent as a result of the completion of the Contemplated Transactions or Business Combination. For the purposes hereof, "insolvent" means that the sum of the debts and other probable Liabilities of the Company exceeds the present fair saleable value of its assets.

3.21.2 Immediately prior to the completion of the Contemplated Transactions and Business Combination, the Company will be able to pay its Liabilities as they become due in the Ordinary Course of Business.

3.22 **No Broker.**

No broker, finder, investment banker or other intermediary is entitled or has claimed to be entitled to any fee or commission in connection with the Contemplated Transactions or Business Combination based upon arrangements made by or on behalf of the Company or, to the Knowledge of the Company, the other Canndora Shareholders.

## ARTICLE 4
## REPRESENTATIONS AND WARRANTIES OF THE CANNDORA SHAREHOLDERS

As an inducement to Kootenay and SubCo to enter into this Agreement and to complete the Contemplated Transactions, each Canndora Shareholder (jointly and severally as to each other Canndora Shareholder) hereby represents and warrants to Kootenay and SubCo as set forth in this Article 4. The representations and warranties of the Canndora Shareholders contained in this Agreement shall survive the completion of the Contemplated Transactions and shall expire and be terminated on the earlier of one

year after the Effective Time and the date on which this Agreement is terminated in accordance with its terms.

4.1 **Authorization.**

Such Canndora Shareholder, if a corporation, is duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation. Such Canndora Shareholder has the requisite corporate power and authority to execute and deliver this Agreement and the Amalgamation Agreement to which such Canndora Shareholder is a party, to perform its or his/her obligations hereunder and thereunder and to complete the Contemplated Transactions. This Agreement has been, and the Amalgamation Agreement to be executed and delivered by such Canndora Shareholder at the Closing will be, duly and validly executed and delivered by such Canndora Shareholder, and (assuming due authorization, execution and delivery by Kootenay and SubCo) this Agreement constitutes, and the Amalgamation Agreement when so executed and delivered (assuming due authorization, execution and delivery by the other parties thereto) will constitute, the legal, valid and binding obligation of the Canndora Shareholder, enforceable against such Canndora Shareholder in accordance with their respective terms, subject to the Enforceability Limitations.

4.2 **No Conflicts; Required Consents.**

4.2.1 The execution and delivery by such Canndora Shareholder of this Agreement and the Amalgamation Agreement to which such Canndora Shareholder is a party do not, and the completion by such Canndora Shareholder of the Contemplated Transactions will not: (i) conflict with or violate any Applicable Laws binding upon or applicable to such Canndora Shareholder, or any of its or his/her Canndora Shares; or (ii) conflict with, violate, result in a breach of the terms, conditions or provisions of, constitute a default or an event that, with notice or lapse of time or both, would become a default under, give to others any rights of acceleration, termination or cancellation or a loss of rights under, or result in the creation or imposition of any Lien upon the Canndora Shares under, any Contract or License to which such Canndora Shareholder is a party or by which such Canndora Shareholder is bound.

4.2.2 No consents, approval or authorization of, or registration, declaration or filing with, or notification to, any Governmental Authority or under any Contract is required to be obtained, made or given by such Canndora Shareholder as a result of its or his execution, delivery and performance of this Agreement or the completion of the Contemplated Transactions.

4.3 **Ownership of the Canndora Shares.**

Such Canndora Shareholder owns, beneficially and of record, and has good and valid title to, the number of Canndora Shares set forth opposite such Canndora Shareholder's name on Annex 1, free and clear of any and all Liens. Except as set forth in the Organizational Documents of the Company, there are no limitations or restrictions on such Canndora Shareholder's right to sell or transfer the Canndora Shares owned by such Canndora Shareholder.

4.4 **Legal Proceedings.**

There is no Action pending or, to the knowledge of such Canndora Shareholder , threatened against or affecting such Canndora Shareholder that, if determined or resolved adversely to the Canndora

Shareholder, would have a Company Material Adverse Effect on such Canndora Shareholder's ability to perform its or his/her obligations hereunder or to timely complete the Contemplated Transactions.

4.5 **Insolvency.**

Such Canndora Shareholder is not an insolvent Person and will not be rendered insolvent as a result of the completion of the Contemplated Transactions.

4.6 **Kootenay Shares.**

4.6.1 The Kootenay Shares to be issued to such Canndora Shareholder in connection with the Contemplated Transactions are being acquired as principal for such Canndora Shareholder's own account for investment and will not be transferred by such Canndora Shareholder in violation of Applicable Laws. No Person other than such Canndora Shareholder, or a holding corporation in which the Canndora Shareholder holds 100% of the voting interests, has any interest in or any right to acquire the Kootenay Shares issuable to such Canndora Shareholder. Such Canndora Shareholder's financial condition is such that such Canndora Shareholder is able to bear the risk of holding such Kootenay Shares for an indefinite period of time and the risk of loss of such Canndora Shareholder's entire investment in Kootenay.

4.6.2 Such Canndora Shareholder has performed its own due diligence investigation with respect to the acquisition of the Kootenay Shares to the extent such Canndora Shareholder has deemed necessary or desirable. No representations or warranties have been made to such Canndora Shareholder by Kootenay or any stockholder, officer, director, employee, agent or representative of Kootenay, other than as set forth in this Agreement.

4.6.3 Such Canndora Shareholder acknowledges that Kootenay is relying on an exemption from the requirement to provide such Canndora Shareholder with a prospectus under Applicable Laws and, as a consequence of acquiring the Kootenay Shares pursuant to such exemption, certain protections, rights and remedies provided by the Applicable Laws will not be available to such Canndora Shareholder.

4.6.4 Such Canndora Shareholder is not a U.S. Person and is not acquiring Kootenay Shares for the account or benefit of a U.S. Person or a Person in the United States.

## ARTICLE 5
## REPRESENTATIONS AND WARRANTIES OF KOOTENAY AND SUBCO

As an inducement to the Canndora Shareholders to enter into this Agreement and to complete the Contemplated Transactions, Kootenay and SubCo hereby represents and warrants to the Canndora Shareholders as set forth in this Article 5. The representations and warranties of Kootenay and Subco contained in this Agreement shall survive the completion of the Contemplated Transactions and shall expire and be terminated on the earlier of one year after, after Effective Time and the date on which this Agreement is terminated in accordance with its terms.

5.1 **Organization.**

5.1.1 Kootenay (i) is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation; (ii) has the requisite corporate power and authority to own or lease and to operate and use its assets and properties and to carry on the Kootenay

Business as currently conducted; and (iii) is duly qualified or licensed to do business and is in good standing in each jurisdiction in which the nature of the business or the property or assets owned or leased or used by Kootenay makes such qualification or licensing is necessary under Applicable Laws.

5.1.2 SubCo is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation.

5.2 **Authorization**.

Each of Kootenay and SubCo has the requisite corporate power and authority to execute and deliver this Agreement and the Amalgamation Agreement to which it is a party, to perform its obligations hereunder and thereunder and to complete the Contemplated Transactions. This Agreement has been, and the Amalgamation Agreement to be executed and delivered by Kootenay and SubCo at the Closing will be, duly and validly executed and delivered by Kootenay and SubCo, as the case may be, and (assuming due authorization, execution and delivery by the Canndora Shareholders) this Agreement constitutes, and upon their execution and delivery of the Amalgamation Agreement (assuming due authorization, execution and delivery by the other parties thereto) will constitute, the legal, valid and binding obligation of Kootenay and SubCo, enforceable against each of Kootenay and SubCo in accordance with their respective terms, subject to the Enforceability Limitations.

5.3 **Organizational Documents and Corporate Records.**

Kootenay has previously delivered or made available to the Company true and complete copies of the Organizational Documents of each Kootenay and SubCo. Neither of the Kootenay or SubCo is in default under or violation of any provision of its respective Organizational Documents. The books and records of each of Kootenay and SubCo are true and complete in all material respects and have been maintained in compliance with Applicable Laws.

5.4 **No Conflicts; Required Consents.**

5.4.1 The execution and delivery by each of Kootenay and SubCo of this Agreement and the Amalgamation Agreement to which Kootenay or SubCo, as the case may be, is a party do not, and the completion by Kootenay and SubCo of the Contemplated Transactions will not, (i) conflict with or violate any provision of Kootenay's. SubCo's Organizational Documents; or (ii) (A) conflict with or violate any Applicable Laws binding upon or applicable to Kootenay or SubCo or any of their respective material assets or properties; or (B) conflict with, violate, result in a breach of the terms, conditions or provisions of, constitute a default or an event that, with notice or lapse of time or both, would become a default under, give to others any rights of acceleration, termination or cancellation or a loss of rights under, or result in the creation or imposition of any Lien upon the Kootenay Shares or any assets or properties of Kootenay or SubCo under, any material Contract or License to which Kootenay or SubCo, as the case may be, is a party or by which Kootenay or SubCo, as the case may be, or any of their respective material assets or properties is bound.

5.4.2 No consent, approval or authorization of, or registration, declaration or filing with, or notification to, any Governmental Authority or any other third party is required to be obtained, made or given by Kootenay or SubCo as a result of the execution, delivery and performance of this Agreement by them or the completion of the Contemplated Transactions, except the approval of the Canadian Securities Exchange, the filing of the Amalgamation Application with the registrar,

and the filings with governmental authorities and payments required by securities and corporate laws.

5.5 **Capitalization**.

5.5.1 The authorized share capital of Kootenay consists of an unlimited number of Kootenay Shares, of which 14,964,324 Kootenay Shares are issued and outstanding as of the Agreement Date.

5.5.2 The authorized share capital of SubCo consists of an unlimited number of SubCo Shares without par value, and unlimited number of preferred shares without par value, of which one SubCo Share and no preferred shares are issued and outstanding as of the Agreement Date.

5.5.3 Except for the Kootenay Shares for Debt Transactions and as set forth in the Kootenay Disclosure Record, there are no outstanding: (i) shares or other voting securities or other equity interests of Kootenay or SubCo, as applicable; (ii) securities of Kootenay or SubCo convertible into or exercisable or exchangeable for shares or other voting securities of Kootenay or SubCo, as applicable; (iii) subscriptions, options or rights to acquire from Kootenay, or other obligation of Kootenay to issue or deliver, any shares, other voting securities or securities convertible into or exercisable or exchangeable for shares or other voting securities, of Kootenay or SubCo, as applicable; (iv) bonds, debentures, notes or other Indebtedness of any Kootenay or SubCo, as applicable, having the right to vote (or convertible into or exercisable or exchangeable for securities having the right to vote) on any matters with the shareholders of Kootenay or SubCo, as applicable; or (v) stock appreciation, "phantom" stock or other equity equivalent rights with respect to Kootenay or SubCo, as applicable (the items in clauses (i) through (v) are collectively referred to as the "**Kootenay Securities**").

5.5.4 Except as set forth in the Kootenay Disclosure Record, (i) there are no outstanding obligations of Kootenay to repurchase, redeem or otherwise acquire any Kootenay Securities; (ii) there are no agreements to register any Kootenay Securities or sale or re-sales thereof under any applicable securities laws; and (iii) there are no shareholder agreements, voting trusts or other similar agreements or understandings to which Kootenay or, to the Knowledge of Kootenay, any holder of Kootenay Securities is a party or otherwise bound in respect of any Kootenay Securities.

5.6 **Subsidiaries and Investments.**

The Kootenay Disclosure Record sets forth a true and complete list of each of Kootenay's and Subco's ownership, whether direct or indirect, or of record or beneficial, of all securities or other equity interests in, or investment in or control of, any Person.

5.7 **Financial Statements.**

5.7.1 The Kootenay Disclosure Record contains the Kootenay Financial Statements. The Kootenay Financial Statements (i) have been prepared from, and are in accordance with, the books of account and other financial records of the Kootenay Group Members, which reflect only actual transactions; (ii) have been prepared in accordance with GAAP consistently applied during the periods involved; and (iii) present fairly and accurately, in all material respects, the financial condition and results of operation of the Kootenay Group Member, as applicable, as of the dates thereof or for the periods covered thereby.

5.7.2 All accounts, notes and other receivables reflected on the Kootenay Financial Statements have arisen from *bona fide* transactions in the Ordinary Course of Business, and are or will be valid, genuine and fully collectible in the Ordinary Course of Business without resort to litigation or extraordinary collection activity, less any reserves for doubtful accounts reflected on the Kootenay Financial Statements.

5.8 **No Undisclosed Liabilities.**

Except as set forth in the Kootenay Disclosure Record no Kootenay Group Member has any Liabilities, other than Liabilities: (i) disclosed in the Kootenay Financial Statements; or (ii) similar in nature and amount to those disclosed in the Kootenay Financial Statements that have been incurred since July 31, 2019 in the Ordinary Course of Business and not in violation of this Agreement.

5.9 **Indebtedness**.

Except for the Kootenay Shares for Debt Transactions and the Indebtedness described in Kootenay Disclosure Record: (i) no Kootenay Group Member has any material Indebtedness; (ii) no Kootenay Group Member has guaranteed any Indebtedness of any Person; (iii) there are no material Liens on any Kootenay Securities; and (iv) other than Permitted Liens, there are no Liens on the assets or properties of any Kootenay Group Member. There are no grounds for believing that any creditor of any Kootenay Group Member will be prejudiced by the Amalgamation.

5.10 **Material Contracts.**

The Kootenay Disclosure Record includes the material contracts of the Kootenay Group Members required to be made available to the public in accordance with Applicable Law. Kootenay's material contracts are in full force and effect in accordance with their terms and no Kootenay Group Member thereto is in any material breach of or default under any such Contract.

5.11 **Legal Proceedings.**

There is no Action pending or, to the Knowledge of Kootenay, threatened against any Kootenay Group Member. No Kootenay Group Member is subject to or otherwise bound by any Applicable Law) that prohibits or limits in any material respect the conduct of the Kootenay Business.

5.12 **Compliance with Laws.**

Each Kootenay Group Member has at all times conducted, and currently conducts, its business in compliance with all Applicable Laws. None of the Kootenay Group Members or SubCo has received any notice of any violation of and, to the Knowledge of Kootenay, no Kootenay Group Member is under investigation or review by any Governmental Authority with respect to or has been threatened to be charged with any violation of any Applicable Laws.

5.13 **Licenses.**

5.13.1 Except as set forth in the Kootenay Disclosure Record, each Kootenay Group Member holds or possesses, and each is in compliance with, all Licenses required for the lawful conduct of the Kootenay Business as currently conducted. No Kootenay Group Member has received any notice advising of the refusal to grant any License that has been applied for or is in process of

being granted and there is no reason to believe that any such Governmental Authority is considering taking or would have reasonable ground to take any such action.

5.14 **Title to and Sufficiency of Assets.**

The Kootenay Group Members have, and at the Closing will have, good, valid and marketable title to, or in the case of leased assets and properties a valid leasehold interest in, all of the assets and properties that each Kootenay Group Member purports to own or lease, is in each case free and clear of any and all Liens (other than Permitted Liens). There is no Contract granting any Person any option to purchase the assets or properties of any Kootenay Group Member or any portion thereof outside of the Ordinary Course of Business. The assets and properties owned or leased by the Kootenay Group Members constitute all of the assets and properties required to conduct the Kootenay Business in the manner and to the extent now conducted.

5.15 **Tax Matters.**

5.15.1 Each Kootenay Group Member: (i) timely filed (or has had timely filed on its behalf) each 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 such Kootenay Group Member 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 such entity's books of account, in accordance with GAAP 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. No Kootenay Group Member will incur any liability for any material Taxes for the period commencing on January 1, 2019 and ending on and including the Effective Date other than in the Ordinary Course of Business or in connection with the transactions contemplated by this Agreement.

5.15.2 Each Kootenay Group Member has made (or caused to be made on its behalf) all material estimated Tax payments required to have been made to avoid any underpayment penalties.

5.15.3 There are no material Liens for Taxes upon any assets of any Kootenay Group Member, except Liens for Taxes not yet due. No Kootenay Group Member has requested any extension of time within which to file any Tax Return, which material Tax Return has not since been filed.

5.15.4 There is no material Tax Contest pending or, to the Knowledge of Kootenay, threatened against any Kootenay Group Member.

5.15.5 No material deficiency for any Taxes has been proposed, asserted or assessed against any Kootenay Group Member 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 Governmental Authority to any Kootenay Group Member regarding any such Tax, audit or other proceeding, or, to the Knowledge of Kootenay, 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.

5.15.6 No Kootenay Group Member has any liability for any material Taxes in a jurisdiction where it does not file a Tax Return, nor has any Kootenay Group Member received notice from a taxing authority in such a jurisdiction that it is or may be subject to taxation by that jurisdiction.

5.15.7 No Kootenay Group Member is party to any material Tax allocation or sharing agreement.

5.15.8 Kootenay: (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 Kootenay) and (ii) does not have any material liability for the Taxes of any Person (other than Kootenay) as a transferee or successor, by Contract, or otherwise.

5.15.9 No Kootenay Group Member has acquired property or services from, or disposed of property or provided services to, a Person with whom it does not deal at arm's length (within the meaning of the Tax Act) for an amount that is other than the fair market value of such property or services, nor has any Kootenay Group Member been deemed to have done so for purposes of the Tax Act.

5.16 **Environmental Matters.**

Each Kootenay Group Member is in material compliance in all respects with, and has no material Liability of any nature or kind under, applicable Environmental Laws. Each Kootenay Group Member has not incurred any material Liability with respect to Environmental Laws, including, for certainty, any Liability arising out of any fact or matter relating to any other Kootenay Group Member.

5.17 **Insolvency.**

No Kootenay Group Member is insolvent, nor will it be rendered insolvent as a result of the completion of the Contemplated Transactions. For the purposes hereof, "insolvent" means that the sum of the debts and other probable Liabilities of any Kootenay Group Member exceeds the present fair saleable value of its assets.

5.18 **Due Issuance.**

The Kootenay Shares, when issued and delivered in accordance with this Agreement, will be duly authorized, validly issued, fully paid and non-assessable, and will not be issued in violation of any Applicable Laws, and will not be subject to and will not be issued in violation of any preemptive rights, rights of first refusal or rights of first offer.

5.19 **No Orders.**

No Governmental Authority has issued any order which is currently outstanding preventing or suspending trading in any securities of Kootenay, and no such proceeding is, to the Knowledge of Kootenay, pending, contemplated or threatened. Kootenay does not have in place a shareholder right protection plan.

## ARTICLE 6
## COVENANTS

6.1 **Interim Operations.**

6.1.1 From the Agreement Date until the earlier of the Effective Date or the date, if any, on which this Agreement is terminated pursuant to Section 9.1 (the "**Termination Date**"), except as otherwise provided in this Agreement:

6.1.1.1 the Company will, and the Canndora Shareholders will cause the Company to: (i) conduct the Company Business only in the Ordinary Course of Business; and (ii) use its commercially reasonable efforts to preserve intact the business organization and goodwill of the Company Business, to maintain the Company relationships with its customers, clients and other Persons having business dealings with the Company; and

6.1.1.2 Kootenay will (i) conduct the Kootenay Business only in the Ordinary Course of Business; and (ii) use its commercially reasonable efforts to preserve intact the business organization and goodwill of the Kootenay Business and to maintain the Kootenay relationships with its customers, clients and other Persons having business dealings with Kootenay.

6.1.2 Without limiting the generality of the foregoing, except as expressly permitted or required by this Agreement or as approved in writing by Kootenay, from the Agreement Date until the earlier of the Effective Time or the termination of this Agreement, the Company will not, and the Canndora Shareholders will not permit the Company to:

6.1.2.1 amend or otherwise change its Organizational Documents;

6.1.2.2 take any action that would permit any Lien over any assets of the Company;

6.1.2.3 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;

6.1.2.4 declare, set aside, make or pay any dividend or other distribution (whether in cash, stock or other property) in respect of any share capital or other equity interests of the Company;

6.1.2.5 merge or consolidate with any other Person or acquire any business or assets of any other Person (whether by merger, stock purchase, asset purchase or otherwise), or form any Subsidiary;

6.1.2.6 adopt a plan of complete or partial liquidation, dissolution, restructuring, recapitalization or other reorganization;

6.1.2.7 make any material change in the operation of business, except such changes as may be required to comply with this Agreement, the Amalgamation Agreement or any Applicable Laws;

6.1.2.8 make, authorize or make any commitment with respect to, any single capital expenditure that is in excess of $1,000 or capital expenditures that are, in the aggregate, in excess of $5,000;

6.1.2.9 except in connection with operations in the Ordinary Course of Business and upon terms not materially adverse to the Company, amend in any material respect, or terminate (other than in accordance with its terms) any Contract material to the Company Business, or waive, release or assign any material rights or claims thereunder;

6.1.2.10 except in connection with operations in the Ordinary Course of Business and upon terms not materially adverse to the Company, enter into any Contract material to the Company Business: (i) that has a term of, or requires the performance of any obligations over a period in excess of one month; or (ii) that cannot be terminated without penalty on less than one (1) months' notice;

6.1.2.11 sell, lease (as lessor), transfer or otherwise dispose of, or mortgage, encumber, pledge or impose any Lien on, any of its assets or properties, other than dispositions of immaterial assets or properties for fair value in the Ordinary Course of Business;

6.1.2.12 create, incur, assume or guarantee any Indebtedness, or extend or modify any existing Indebtedness;

6.1.2.13 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);

6.1.2.14 cancel any debts owed to, or waive any material claims or rights held by the Company;

6.1.2.15 commence, settle or compromise any Action by or against the Company, other than settlements entered into in the Ordinary Course of Business and requiring only the payment of monetary Damages in an aggregate amount not to exceed $1,000;

6.1.2.16 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;

6.1.2.17 except as required by Applicable Laws or any existing Contract in effect on the Agreement Date: (i) institute or announce any increase in the compensation, bonuses or other benefits payable to any of its executive employees or consultants; (ii) enter into or amend any employment, consulting, severance or change of control agreement with any such Person; or (iii) enter into or adopt any Employee Benefit Plan;

6.1.2.18 enter into any transaction with any of its Affiliates, except transactions that are at prices and on terms and conditions not less favorable to the Company than could be obtained on an arm's-length basis from unrelated third parties;

6.1.2.19 make any change in the accounting methods, principles or policies of the Company, other than any change required by Applicable Laws or a change in GAAP;

6.1.2.20 fail to file any material Tax Return when due or pay any material Tax when due (other than Taxes being contested in good faith), or make or change any Tax election;

6.1.2.21 fail to pay any accounts payable when due or within a reasonable period of time thereafter (other than amounts being contested in good faith) or fail to use commercially reasonable efforts to collect any accounts receivable when due;

6.1.2.22 fail to renew or otherwise keep in full force and effect any material License relating to the Company Business;

6.1.2.23 fail to use its best efforts to take all required steps and actions (including the payment of all fees and expenses) necessary to obtain, and maintain in good standing, any Company Required License; or

6.1.2.24 enter into any Contract with respect to any of the foregoing.

6.2 **Access to Information.**

From the Agreement Date until the earlier of the Effective Date or the Termination Date:

6.2.1 the Company will (and the Canndora Shareholders will cause the Company to), subject to compliance with Applicable Laws, furnish to Kootenay and its authorized representatives such additional information relating to the Company and the Company Business as Kootenay may reasonably request.

6.2.2 Kootenay will, subject to compliance with Applicable Laws, furnish to the Company and its authorized representatives such additional information relating to Kootenay and any other Kootenay Group Members and the Kootenay Business as the Company may reasonably request.

6.3 **Notice of Certain Events.**

6.3.1 From the Agreement Date until the earlier of the Effective Date or the Termination Date, the Company will (and the Canndora Shareholders will cause the Company to) promptly notify Kootenay in writing of: (i) any Company Material Adverse Effect; (ii) any breach of or default under this Agreement, or any event that would reasonably be expected to become a breach or default under this Agreement on or prior to the Closing; (iii) any notice or other communication from any third Person (including any Governmental Authority) alleging any required consent of such third Person (or Governmental Authority) is or may be required in connection with the Contemplated Transactions or Business Combination; (iv) any Actions commenced or, to the Knowledge of the Company, threatened against the Company that, if pending on the Agreement Date, would have been required to have been disclosed pursuant to Section 3.11 or that relate to the completion of the Contemplated Transactions or Business Combination; and (v) any communications from any Governmental Authority relating to any License held or applied for by the Company.

6.3.2 From the Agreement Date until the earlier of the Effective Date or the Termination Date, Kootenay will promptly notify the Representative in writing of: (i) any Kootenay Material Adverse Effect; (ii) breach of or default under this Agreement, or any event that would reasonably be expected to become a breach or default under this Agreement on or prior to the Closing; (iii) any notice or other communication from any third Person (including any Governmental Authority) alleging that any required consent of such third Person (or Governmental Authority) is or may be required in connection with the Contemplated Transactions; (iv) any Actions commenced or, to the Knowledge of Kootenay, threatened against any Kootenay Group Member that, if pending on the Agreement Date, would have been required to have been disclosed pursuant to Section 5.11

or that relate to the completion of the Contemplated Transactions; and (v) any communications from any Governmental Authority relating to any License held or applied for by any Kootenay Group Member.

6.4 **Efforts.**

Subject to the terms and conditions of this Agreement, each Party will use its commercially reasonable efforts to satisfy the conditions to Closing to be satisfied by it under ARTICLE 7 and to cause the Closing to occur and to take, or cause to be taken, all actions, to file, or cause to be filed, all documents and to do, or cause to be done, and to assist and cooperate with the other Parties in doing, all things necessary, proper or advisable to complete and make effective, in the most expeditious manner practicable, the Contemplated Transactions and Business Combination.

6.5 **Exclusivity.**

From the Agreement Date until the earlier of the Effective Time and the termination of this Agreement, except with the prior written consent of Kootenay, the Canndora Shareholders, and the Company will not (and will cause all directors, officers, employees, agents, representatives and Affiliates acting on their behalf and on behalf of the Company not to): (i) Solicit, initiate, encourage or accept any offer or proposal from any Person (other than the Kootenay Group Members and their respective representatives) concerning any merger, consolidation, sale or transfer of material assets, sale or transfer of any equity interests or other business combination involving the Company (an "**Acquisition Proposal**"); (ii) engage in any discussions or negotiations with any Person (other than the Kootenay Group Members and their respective representatives) concerning any Acquisition Proposal; or (iii) furnish any non-public information concerning the business, properties or assets of the Company to any Person (other than the Kootenay Group Members and their respective representatives), except as required to comply with any Applicable Laws or this Agreement or except in the Ordinary Course of Business. The Canndora Shareholders and the Company will (and will cause the directors, officers, employees, agents, representatives and Affiliates acting on their behalf and on behalf of the Company to) immediately cease and cause to be terminated all existing discussions, negotiations or other communications with any Persons conducted heretofore with respect to any of the foregoing. The Canndora Shareholders will immediately notify Kootenay in writing upon receipt by the Company or a Canndora Shareholder 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.

6.6 **Confidentiality.**

6.6.1 Except as mutually agreed in writing, no Party shall disclose this Agreement, the Amalgamation Agreement or any other aspects of the transactions contemplated hereby or thereby to any Person except (i) to its board of directors, senior management, employees and legal, accounting, financial or other professional advisors, but, in each case only to the extent that such representatives have been informed of the confidential nature of such information and are bound by an obligation to maintain the confidentiality of such information, (ii) as is required to enforce its rights or the obligations of another Party under this Agreement or the Amalgamation Agreement, or (iii) as may be required by any Applicable Laws and, then, only in compliance with Section 6.6.2.

6.6.2 In the event that a Party or any of its representatives is required by law in any proceeding to disclose this Agreement, the Amalgamation Agreement or any aspects of the transactions contemplated hereby or thereby, such Party will provide the other Parties with prompt prior notice so that the other Parties (or any of them) may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement. In the event that no other Party is able to obtain such protective order or other appropriate remedy, the first Party will furnish only that portion of this Agreement, the Amalgamation Agreement or the aspects of the transactions contemplated hereby or thereby which it is advised by a written opinion of counsel is legally required, and will give the other Parties written notice of the information to be disclosed as far in advance as practicable, and will exercise commercially reasonable efforts to obtain a protective order or other reliable assurance that confidential treatment will be accorded the information so disclosed.

6.7 **Expenses.**

Except as otherwise expressly provided herein, each Party will bear and pay all of its costs and expenses (including the fees and expenses of its counsel, accountants and other advisors) incurred in connection with this Agreement, the Contemplated Transactions and Business Combination, provided that if Closing has occurred, the Canndora Shareholders , jointly, will be responsible for and will pay the legal fees of the Company which form part of the Transaction Expenses. Kootenay and Subco will not be responsible or liable for and will not pay any costs or expenses incurred by any Canndora Shareholder in connection with this Agreement, the Contemplated Transactions or Business Combination (including the fees and expenses of any counsel, accountant or other advisor retained by or for the benefit of any such Person). For greater certainty, if Closing does not occur neither Kootenay nor SubCo will be responsible or liable for, or will pay, any costs or expenses incurred by the Company or a Canndora Shareholder.

6.8 **Further Assurances.**

At any time and from time to time following the Closing, at the reasonable request of any Party, each Party will execute and deliver, or cause to be executed and delivered, such other documents and instruments and will take, or cause to be taken, such further or other actions as any other Party may reasonably request or as otherwise may be reasonably necessary or desirable to evidence and make effective the Contemplated Transactions and Business Combination.

6.9 **Termination of Certain Arrangements.**

On or prior to the Effective Date, all payables, receivables, loans, Liabilities and other obligations between the Company, on the one hand, and the Canndora Shareholders, or their respective Affiliates, on the other hand, will be repaid in full and extinguished.

6.10 **Covenant Regarding Taxes Payable.**

The Canndora Shareholders covenant and agree that the Canndora Shareholders shall not seek payment, indemnification, re-imbursement, recourse or any claim of any nature against Kootenay, the Company, SubCo, nor any of their respective directors, employees, shareholders (excluding the Canndora Shareholders), agents or representatives for any taxes owing, due or payable by such Canndora Shareholders in connection with the issuance or receipt of the Payment Shares.

## ARTICLE 7
## CONDITIONS PRECEDENT

### 7.1 Conditions to the Obligations of the Parties.

The obligations of the Parties to complete the Contemplated Transactions are subject to the satisfaction or (to the extent permitted by Applicable Laws) waiver by Kootenay and the Representative (on behalf of the Canndora Shareholders), on or prior to the Effective Date, of each of the following conditions:

7.1.1 Approval of the CSE. The approval of the Canadian Securities Exchange of the Contemplated Transactions and Business Combination will have been obtained.

7.1.2 Consolidation. The Consolidation will have been completed.

7.1.3 Closing of Financing. The Financing will have closed.

7.1.4 Kootenay Shareholder Approval. Kootenay will have obtained the requisite approval of the shareholders of the Kootenay of the Contemplated Transactions and the Business Combination at a meeting duly called for such purpose.

7.1.5 Candorra Shareholder Approval. Holders of 100% of the issued and outstanding shares of Candorra will have approved, by written consent resolution, an amalgamation with Kootenay and the Business Combination.

7.1.6 Takeoverbid of Lifted. The Minimum Tender Condition will have been satisfied under the Lifted Takeover Bid.

7.1.7 Governmental Approvals. All consents, approvals and actions of or by, and all filings with and notifications to, any Governmental Authority required to complete the Contemplated Transactions and Business Combination will have been obtained, taken or made, as applicable, and will remain in full force and effect.

7.1.8 No Prohibitions. No provision of any Applicable Laws will prohibit or otherwise challenge the legality or validity of the Contemplated Transactions.

### 7.2 Conditions to the Obligations of the Canndora Shareholders and the Company.

The obligations of the Canndora Shareholders and the Company to complete the Contemplated Transactions are subject to the satisfaction or (to the extent permitted by Applicable Laws) waiver by the Representative (on behalf of the Canndora Shareholders), on or prior to the Effective Date, of each of the following further conditions:

7.2.1 Accuracy of Representations and Warranties. Each of the representations and warranties of Kootenay set forth in this Agreement (i) that is qualified by materiality or Kootenay Material Adverse Effect will be true and correct in all respects; and (ii) that is not so qualified will be true and correct in all material respects, in each case at and as of the Effective Date as if made on and as of the Effective Date (except to the extent that any such representations and warranties speak expressly as of an earlier date, in which case they will be true and correct, or true and correct in all material respects, as the case may be, as of such earlier date).

7.2.2 Performance of Covenants. Kootenay will have performed or complied in all material respects with all covenants, agreements and obligations required by this Agreement to be performed or complied with by Kootenay on or prior to the Effective Date.

7.2.3 Amalgamation Resolution. The Amalgamation Resolution will have been signed by Kootenay.

7.2.4 No Kootenay Material Adverse Effect. Between the Agreement Date and the Effective Date, there will have been no Kootenay Material Adverse Effect.

7.2.5 Certificate of Compliance. Kootenay will have delivered to the Representative a certificate dated the Effective Date, signed by an authorized officer of Kootenay (not in his or her personal capacity but for and on behalf of Kootenay), certifying as to the satisfaction of the conditions set forth in Section 7.2.1 and Section 7.2.2.

7.2.6 Third Party Consents. Kootenay will have obtained the written consents of, or given notifications (to the extent only notification is required) to, the Canadian Securities Exchange, and any other third party or governmental authority that Applicable Law requires consent or notification, in each case in form and substance reasonably satisfactory to the Company, and all such consents will remain in full force and effect.

7.2.7 Receipt of Closing Deliveries. Kootenay will have executed and delivered, or caused to be executed and delivered, all of the agreements, certificates and other documents specified in Section 2.5.

7.2.8 Kootenay Shares. Kootenay shall deliver to the Canndora Shareholders certificates or evidence of electronic positions evidencing the Payment Shares issuable hereunder.

### 7.3 Conditions to the Obligations of Kootenay and SubCo.

The obligations of Kootenay and SubCo to complete the Contemplated Transactions are subject to the satisfaction or (to the extent permitted by Applicable Laws) waiver by Kootenay, on or prior to the Effective Date, of each of the following further conditions:

7.3.1 Accuracy of Representations and Warranties. Each of the representations and warranties of the Canndora Shareholders set forth in this Agreement and in any certificate or other writing delivered by them pursuant hereto: (i) that is qualified by materiality or Company Material Adverse Effect will be true and correct in all respects; and (ii) that is not so qualified will be true and correct in all material respects, in each case at and as of the Effective Date as if made on and as of the Effective Date (except to the extent that any such representations and warranties speak expressly as of an earlier date, in which case they will be true and correct, or true and correct in all material respects, as the case may be, as of such earlier date).

7.3.2 Performance of Covenants. The Company and the Canndora Shareholders will have performed or complied in all material respects with all covenants, agreements and obligations required by this Agreement to be performed or complied with by the Company or any Canndora Shareholders on or prior to the Effective Date.

7.3.3 Amalgamation Resolution. The Amalgamation Resolution will have been signed by each of the Canndora Shareholders.

7.3.4 No Company Material Adverse Effect. Between the Agreement Date and the Effective Date, there will have been no Company Material Adverse Effect.

7.3.5 Certificate of Compliance. The Representative will have delivered to Kootenay a certificate dated the Effective Date, signed by the Representative (not in his or her personal capacity but for and on behalf of the Canndora Shareholders and the Company), certifying as to the satisfaction of the conditions set forth in Section 7.3.1 and Section 7.3.2.

7.3.6 Third Party Consents. The Company and the Canndora Shareholders will have obtained the written consents of, or given notifications (to the extent only notification is required) to, each of the third parties set forth in Section 3.3.2 and Section 4.2.2 of the Canndora Disclosure Schedule, in each case in form and substance reasonably satisfactory to Kootenay, and all such consents will remain in full force and effect.

7.3.7 Board Approval. The board of directors of the Company will have approved the Amalgamation.

7.3.8 No Outstanding Securities. Other than as disclosed hereunder, as of Closing there will be no outstanding securities of the Company which are convertible into or exercisable or exchangeable for Canndora Shares or other securities of the Company.

7.3.9 Receipt of Closing Deliveries. The Company and the Canndora Shareholders will, as applicable, have executed and delivered, or caused to be executed and delivered, all of the agreements, certificates and other documents specified in Section 2.4, all in form and substance reasonably satisfactory to Kootenay.

7.3.10 The Company will have rectified its minute book deficiencies identified to the Company by Kootenay.

## ARTICLE 8
## INDEMNIFICATION

### 8.1 Indemnity by the Canndora Shareholders.

The Canndora Shareholders (the "**Indemnifying Parties**") will each severally indemnify the Kootenay, the Kootenay's Affiliates, the Company and their respective Representatives (each an "**Indemnified Party**") and save them fully harmless against, and will reimburse them for, any Damages arising from, in connection with or related in any manner whatsoever to any incorrectness in or breach of any representation or warranty in Section 3.14;

For greater certainty and without limiting the generality of the provision above, the indemnity provided for in this Section 8.1 will extend to any Damages arising from any act, omission or state of facts that occurred or existed prior to the Closing Date, and whether or not disclosed in any Schedule to this Agreement.

### 8.2 Claim Notice.

If an Indemnified Party becomes aware of any act, omission or state of facts that may give rise to Damages in respect of which a right of indemnification is provided for under this ARTICLE 8, the Indemnified Party will promptly give written notice thereof (a "**Claim Notice**") to the Indemnifying Part. The Claim Notice

will specify whether the potential Damages arise as a result of a claim by a Person against the Indemnified Party (a "**Third Party Claim**") or whether the potential Damages arise as a result of a claim directly by the Indemnified Party against the Indemnifying Parties (a "**Direct Claim**"), and will also specify with reasonable particularity (to the extent that the information is available):

(a) the factual basis for the Direct Claim or Third Party Claim, as the case may be; and

(b) the amount of the potential Damages arising therefrom, if known.

8.3 **Time Limits for Claim Notice for Breach of Representations and Warranties.**

No Damages may be recovered from the Canndora Shareholders pursuant to Section 8.1 unless (subject to the fraud exception below) a Claim Notice is delivered by the applicable Indemnified Party on or before the date that is 24 months after Closing, provided, however, that in the event of fraud relating to any applicable representation and warranty, then notwithstanding the foregoing time limitations, the Indemnified Party will be entitled to deliver a Claim Notice at any time for purposes of such a claim.

8.4 **Limitation of Liability.**

The aggregate amount of all Damages for which each Canndora Shareholder will be liable to the Kootenay will not exceed the value of the Payment Shares received by such person at Closing, which is in aggregate CDN $21,000,000.

8.5 **Calculation of Damages.**

The calculation of Damages payable to an Indemnified Party will not be affected by any inspection or inquiries made by on or behalf of the Party entitled to be indemnified under this ARTICLE 8.

8.6 **Liability of the Canndora Shareholders.**

The obligations set out in this ARTICLE 8 are several. An Indemnified Party may at its option bring a claim to enforce its rights and benefits under this Agreement or such other agreement against one person without proceedings against any other person.

## ARTICLE 9
## TERMINATION

9.1 **Grounds for Termination.**

Notwithstanding anything contained in this Agreement to the contrary, this Agreement may be terminated and the Contemplated Transactions may be abandoned at any time prior to the Closing:

9.1.1 by the mutual written agreement of Kootenay and the Representative;

9.1.2 by Kootenay in the event of a material breach of any representation, warranty, covenant or agreement of the Company or a Canndora Shareholder contained herein and the failure of the breaching party to cure such breach within five (5) Business Days after receipt of written notice from Kootenay requesting such breach to be cured; provided, however, that there will be no right to terminate if such breach was caused, in whole or in part, by a material breach by Kootenay or SubCo;

9.1.3 by the Company in the event of a material breach of any representation, warranty, covenant or agreement of Kootenay or SubCo contained herein and the failure of Kootenay or SubCo to cure such breach within five (5) Business Days after receipt of written notice from the Company requesting such breach to be cured; provided, however, that there will be no right to terminate if such breach was caused, in whole or in part, by a material breach by the Company or any Canndora Shareholder;

9.1.4 by either Kootenay or the Company if any Governmental Authority will have issued a final and non-appealable order, decree or judgment permanently restraining, enjoining or otherwise prohibiting the completion of the Contemplated Transactions or any Governmental Authority has refused to provide a consent or approval set forth, or required by the terms of this Agreement to be set forth, in Section 3.3.2 or Section 4.2.2 of the Canndora Disclosure Schedule; or

9.1.5 by either Kootenay or the Company if the Closing will not have occurred on or before August 31, 2020 (or such later date as may be agreed to in writing by Kootenay and the Representative); provided, however, that the right to terminate this Agreement under this Section 9.1.5 will not be available to any Party whose failure to fulfill any obligation under, or breach of any provision of, this Agreement will have been the cause of, or will have resulted in, the failure of the Closing to occur on or before the applicable date.

### 9.2 Notice of Termination.

Any Party desiring to terminate this Agreement pursuant to Section 9.1 will give written notice of such termination to the other Parties to this Agreement in accordance with Section 11.2, specifying the provision(s) pursuant to which such termination is effective.

### 9.3 Effect of Termination.

If this Agreement is terminated pursuant to this Article 9, this Agreement will forthwith become void and of no further force and effect and all rights and obligations of the Parties hereunder will be terminated without further liability of any Party to any other Party; provided, however, that: (i) the provisions of Sections 6.6 and 9.3, and Article 11, and the rights and obligations of the Parties thereunder, will survive any such termination; and (ii) nothing herein will relieve any Party from liability for willful or intentional breach, any Fraud Claim or any other liability arising prior to such termination under this Agreement prior to the date of termination.

## ARTICLE 10
## RELEASE

### 10.1 Canndora Shareholder Release.

Except for obligations of Kootenay and SubCo arising under this Agreement, the Amalgamation Agreement and the Amalgamation Application, each Canndora Shareholder, on such Person's own behalf, and on behalf of each of such Person's Affiliates and each of their respective shareholders, partners, equityholders, directors, managers, officers, employees, agents, representatives (including legal representatives), heirs, administrators, executors, successors and assigns, with effect from the Closing, unconditionally and irrevocably waives, releases and forever discharges each of the Kootenay Group Members, Amalco, and the Company and each of their respective Affiliates and past, present and future shareholders, partners, equityholders, directors, managers, officers, employees, agents, representatives,

advisors, lenders, insurers and any predecessors, successors or assigns of any of the foregoing (each, a "**Kootenay Released Person**"), from any and all liability of any kind or nature incurred or arising prior to Closing in connection with such Canndora Shareholder's employment or engagement by, acting as a director or officer of, or through their legal or beneficial ownership of, the Company or any of its Affiliates, as applicable, in each case, whether absolute or contingent, accrued or unaccrued, liquidated or unliquidated, known or unknown, or due or to become due, and each Canndora Shareholder acknowledges and agrees that such Person will not seek to recover any amounts in connection therewith or thereunder from any Kootenay Released Person; provided that nothing in this Section 10.1 will: (a) be deemed to constitute a release by such Person of any right to enforce its rights under this Agreement or the Amalgamation Agreement or not otherwise released pursuant to this Section 10.1; (b) release the Company from any obligation that the Company might have to pay or provide a Canndora Shareholder, or any of such Canndora Shareholder's Affiliates and each of their respective shareholders, partners, equityholders, directors, managers, officers, employees, agents, representatives (including legal representatives), heirs, administrators, executors, successors and assigns, with compensation, benefits or other entitlements which any such Person has as a result of his or her consulting relationship with the Company, including obligations arising under any employment-related statute or consulting contract; or (c) in any way limit the rights and recourses of a Canndora Shareholder who was a director or officer of the Company in respect of any rights such Canndora Shareholder may have pursuant to any directors' and officers' insurance coverage existing on the Effective Date, or any indemnification rights pursuant to the bylaws of the Company to indemnification by the Company for any acts and omissions occurring on or prior to the Effective Date.

Each Canndora Shareholder understands that this Section 10.1 is a full and final release of all claims, demands, causes of action and liabilities of any nature whatsoever, whether or not known, suspected or claimed, that could have been asserted in any legal or equitable proceeding against any Kootenay Released Person with respect to the period prior to Closing, except as expressly set forth in this Section 10.1. Each Canndora Shareholder hereby acknowledges that such Canndora Shareholder is aware that it may hereafter discover claims or facts in addition to or different from those that such Canndora Shareholder now knows or believes to be true with respect to the matters released herein, but that it is the intention of such Canndora Shareholder to fully and finally release all such claims, demands, causes of action and liabilities of any nature relative thereto that do exist, may exist or heretofore have existed.

10.2 **Kootenay Release.**

Except for obligations of the Company and Canndora Shareholders arising under this Agreement, the Amalgamation Agreement and the Amalgamation Application, each Kootenay Group Member and each of their respective shareholders, partners, equityholders, directors, managers, officers, employees, agents, representatives (including legal representatives), heirs, administrators, executors, successors and assigns, with effect from the Closing, unconditionally and irrevocably waives, releases and forever discharges each of the Company, the Canndora Shareholders and each of their respective Affiliates and past, present and future shareholders, partners, equityholders, directors, managers, officers, employees, agents, representatives, advisors, lenders, insurers and any predecessors, successors or assigns of any of the foregoing (each, a "**Canndora Released Person**"), from any and all liability of any kind or nature incurred or arising prior to Closing in connection with such Canndora Shareholder's employment or engagement by, acting as a director or officer of, or through their legal or beneficial ownership of, the Company or any of its Affiliates, as applicable, in each case, whether absolute or contingent, accrued or unaccrued, liquidated or unliquidated, known or unknown, or due or to become due, and each Kootenay Group Member acknowledges and agrees that such it will not seek to recover any amounts in connection therewith or thereunder from any Canndora Released Person; provided that nothing in this Section 10.2 will be deemed

to constitute a release by such Person of any right to enforce its rights under this Agreement or the Amalgamation Agreement or not otherwise released pursuant to this Section 10.2.

Kootenay understands that this Section 10.2 is a full and final release of all claims, demands, causes of action and liabilities of any nature whatsoever, whether or not known, suspected or claimed, that could have been asserted in any legal or equitable proceeding against any Canndora Released Person with respect to the period prior to Closing, except as expressly set forth in this Section 10.2. Kootenay hereby acknowledges that Kootenay is aware that Kootenay may hereafter discover claims or facts in addition to or different from those that Kootenay now knows or believes to be true with respect to the matters released herein, but that it is the intention of Kootenay to fully and finally release all such claims, demands, causes of action and liabilities of any nature relative thereto that do exist, may exist or heretofore have existed.

## ARTICLE 11
## GENERAL PROVISIONS

### 11.1 Non-Survival of Representations, Warranties and Covenants.

The representations, warranties or covenants contained in this Agreement shall survive the Effective Time for a period of one year unless otherwise specified in this Agreement.

### 11.2 Notices.

Any notice, direction or other communication given regarding the matters contemplated by this Agreement (each a "**Notice**") must be in writing, sent by personal delivery, courier or email transmission (provided that the sender of such email transmission does not receive a delivery failure notice from the intended recipient in respect of such email transmission), or similar means of recorded electronic communication, addressed as follows:

11.2.1 If to Kootenay, to:

Kootenay Zinc Corp.
400 - 837 West Hastings Street
Vancouver, BC
V6C3N6

Attention: Von Torres

Email: [Redacted]

with a copy to:

Farris LLP
700 West Georgia Street #2500
Vancouver, BC V7Y 1B3

Attention: Peter M. Roth

Email: [Redacted]

11.2.2 If to the Canndora Shareholders or the Representative, to the addresses of such Parties set forth on Annex 1 attached hereto, with a copy to:

Canndora Delivery Ltd.
403 1355 Bellevue Ave
West Vancouver, BC V7T 0B4

Attention: David Jenkins

Email: [Redacted]

Subject to the foregoing, a Notice is deemed to be given and received on the date on which it was delivered or transmitted if it is a Business Day and the delivery or transmission was made prior to 6:00 p.m. (local time in place of receipt) and otherwise on the next Business Day. A Party may change its address for service from time to time by providing a Notice in accordance with the foregoing. Any subsequent Notice must be sent to the Party at its changed address. Any element of a Party's address that is not specifically changed in a Notice will be assumed not to be changed.

11.3 **Counterparts.**

This Agreement, the Amalgamation Agreement and the Amalgamation Application may be executed and delivered (including by "pdf", docusign or other electronic transmission) in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

11.4 **Amendments and Waivers.**

This Agreement may not be amended or waived except by an instrument in writing signed by an authorized representative of each Party. No course of conduct or failure or delay by any Party in exercising any right, power or privilege hereunder will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

11.5 **Severability.**

Wherever possible, each provision hereof will be interpreted in such manner as to be effective and valid under Applicable Laws, but if any one or more of the provisions contained herein will, for any reason, be held to be invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such provision will be ineffective to the extent, but only to the extent, of such invalidity, illegality or unenforceability without invalidating the remainder of such invalid, illegal or unenforceable provision or provisions or any other provisions hereof, unless such a construction would be unreasonable.

11.6 **Assignment; Successors and Assigns.**

Neither this Agreement nor any of the rights, interests or obligations of any Party hereunder may be assigned, delegated or otherwise transferred by such Party, in whole or in part (whether by operation of law or otherwise), without the prior written consent of each other Party (it being understood and agreed that any consent provided by the Representative will be deemed for all purposes to be a consent given by all of the Canndora Shareholders), and any attempt to make any such assignment, delegation or other transfer

without such consent will be null and void; provided, however, that Kootenay may assign its rights, interests and obligations under this Agreement, the Amalgamation Agreement and the Amalgamation Application, without the consent of the other Parties, to any Person who acquires all or substantially all of the assets and business of Kootenay or to any Affiliate of Kootenay, subject to the assumption in writing by such Person or Affiliate of Kootenay's obligations hereunder; and provided, further, that Kootenay may assign or encumber this Agreement or any of its rights and obligations hereunder as security for any Indebtedness of Kootenay or its Affiliates without the consent of the other Parties. Subject to the preceding sentences, this Agreement will be binding upon, inure to the benefit of and be enforceable by the Parties and their respective successors and permitted assigns.

11.7 **No Third Party Beneficiaries.**

Nothing in this Agreement, express or implied, is intended or will be construed to confer upon any third party, other than the signatories to this Agreement and their respective successors and assigns permitted by Section 11.6, any right, remedy or claim under or by reason of this Agreement.

11.8 **Governing Law.**

This Agreement and all disputes and controversies relating to or arising out of this Agreement and the Amalgamation Agreement are governed by and will be interpreted and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. Each signatory to this Agreement 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. The Canndora Shareholders appoint the Representative as their agent for the service of any process with respect to any matter arising under or related to this Agreement, the Amalgamation Agreement and the Amalgamation Application.

11.9 **Specific Performance.**

The Parties agree that irreparable and ongoing Damages would occur in the event that any provision of this Agreement were not performed in accordance with its terms or otherwise was breached. Accordingly, each Party agrees that in the event of any actual or threatened breach of this Agreement by another Party, the non-breaching Party will be entitled, in addition to all other rights and remedies that it may have, to obtain injunctive or other equitable relief (including a temporary restraining order, a preliminary injunction and a final injunction) to prevent any actual or threatened breach of any of such provisions and to enforce such provisions specifically, without the necessity of posting a bond or other security or of proving actual Damages. The prevailing Party in any action commenced under this Section 11.9 (whether through a monetary judgment, injunctive relief or otherwise) will be entitled to recover from the other Parties reimbursement for its reasonable legal fees and court costs incurred in connection with such action. Subject to any other provision hereof including, without limitation, Section 9.3 hereof, such remedies will not be the exclusive remedies for any breach of this Agreement but will be in addition to all other remedies available hereunder at law or in equity to each of the Parties hereto.

11.10 **Interpretation; Absence of Presumption.**

11.10.1 The defined terms and headings contained in this Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement. In this Agreement, except to the extent otherwise provided herein or that the context otherwise requires:

(i) words used in the singular include the plural and words in the plural include the singular; (ii) reference to any gender includes the other gender; (iii) the words "include", "includes" and "including" will be deemed to be followed by the words "without limitation"; (iv) the words "herein", "hereof", "hereto", "hereunder" and words of similar import will be deemed references to this Agreement as a whole and not to any particular Section or other provision hereof; (v) reference to any Article, Section, Exhibit or Schedule will mean such Article or Section of, or such Exhibit or Schedule to, this Agreement, as the case may be, and references in any Section or definition to any clause means such clause of such Section or definition; (vi) reference to any Applicable Laws will mean such Applicable Laws (including all rules and regulations promulgated thereunder) as amended, modified, codified or reenacted, in whole or in part, and in effect at the time of determining compliance or applicability; and (vii) references to "$" and "CDN" are to the lawful currency of Canada. Whenever the last day for the exercise of any privilege or the discharge or any duty hereunder will fall upon a day that is not a Business Day, the Party having such privilege or duty may exercise such privilege or discharge such duty on the next succeeding day which is a Business Day.

11.10.2 Each Party acknowledges and agrees that the Parties have participated jointly in the negotiation and drafting of this Agreement. In the event that an ambiguity or a question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties, and no presumption or burden of proof will arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Agreement.

11.10.3 In the event of any inconsistency between the statements in this Agreement and statements in the Canndora Disclosure Schedule, the Kootenay Disclosure Record or the other schedules referred to herein, the statements in this Agreement will control and the statements in the Canndora Disclosure Schedule, the Kootenay Disclosure Record and the other schedules referred to herein will be disregarded to the extent of such inconsistency.

11.11 **Representative; Power of Attorney.**

11.11.1 Each Canndora Shareholder hereby appoints and constitutes the Representative as its true and lawful agent and attorney-in-fact to act for and on behalf of the Canndora Shareholder for the purpose of taking any and all actions by the Canndora Shareholder specified in or contemplated by this Agreement, including as agent and attorney-in-fact for such parties: (i) in connection with any termination of this Agreement pursuant to Section 9.1.1; (ii) in connection with any amendment or waiver of any provision of this Agreement pursuant to Section 11.4; (iii) in connection with the receipt of all agreements, certificates and other documents to be delivered by Kootenay at the Closing pursuant to Section 2.5; and (iv) for the purpose of giving and receiving notices on behalf of the Canndora Shareholders under this Agreement.

11.11.2 For greater certainty, the assumption by the Representative of the responsibilities set out in this Section 11.11 does not make the Representative personally responsible for amounts owing by any of the Canndora Shareholders hereunder except in the Representative's capacity as a Canndora Shareholder. In each such case in this Agreement, Kootenay will be entitled to direct all communications through, and rely on decisions made by, the Representative. With respect to all such matters, the Representative may: (i) take any and all actions (including without limitation executing and delivering any documents), incur any reasonable costs and expenses for the account of the Canndora Shareholders and make any and all determinations which may be required or permitted to be taken by the Canndora Shareholders under this Agreement;

(ii) exercise such other rights, power and authority as are authorized, delegated and granted to the Representative under this Agreement; (iii) negotiate and compromise any dispute that may arise under and exercise or refrain from exercising any remedies available under this Agreement; (iv) execute any settlement agreement, release or other document with respect to such dispute or remedy; and (v) exercise such rights, power and authority as are incidental to the foregoing. Any decision, act, consent or instruction of the Representative under this Agreement will constitute a decision of all of the Canndora Shareholders and will be final, binding and conclusive upon all of the Canndora Shareholders, and Kootenay will be entitled to rely upon any such decision, act, consent or instruction of the Representative as being the decision, act, consent or instruction of all of the Canndora Shareholders.

11.11.3 The limited power of attorney granted hereby is coupled with an interest and will: (i) survive and not be affected by the subsequent death, incapacity, disability, bankruptcy or dissolution, as applicable, of any Canndora Shareholder; and (ii) extend to each Canndora Shareholder's respective and applicable heirs, executors, administrators, legal representatives, successors and assigns, as applicable.

11.11.4 Each Canndora Shareholder hereby agrees to indemnify, defend and hold harmless the Representative from and against any and all loss, liability or expense (including the reasonable fees and expenses of the Representative's attorneys) arising out of or in connection with any act or failure to act of the Representative hereunder, except to the extent that such loss, liability or expense is finally adjudicated to have been primarily caused by the gross negligence or willful misconduct of the Representative.

11.11.5 The Representative may resign at any time, effective immediately upon notice to the Canndora Shareholders and Kootenay. In the event of the resignation of the Representative, another Person will be promptly appointed by a majority of the Canndora Shareholders. Notices or communications to or from the Representative will constitute notice to or from each Canndora Shareholder.

11.11.6 The Representative may, in all questions arising hereunder, rely on the advice of counsel and the Representative will not be liable to anyone for anything done, omitted or suffered by the Representative based on such advice. The Representative undertakes to perform such duties and only such duties as are specifically set forth in this Agreement and no implied covenants or obligations will be read into this Agreement against the Representative. The Representative will not be liable to the Canndora Shareholders for any error of judgment, or any act done or step taken or omitted in good faith or for any mistake in fact or law, or for anything which it may do or refrain from doing in connection herewith, except for his own gross negligence or willful misconduct as determined by a court of competent jurisdiction.

11.11.7 Each Canndora Shareholder will pay its Proportionate Share of all costs and expenses (including those of any legal counsel or other professional retained by the Representative) in connection with the acceptance or administration of the Representative's duties hereunder, and will reimburse the Representative for any costs or expenses incurred by the Representative pursuant to this Agreement, the Amalgamation Agreement and the Contemplated Transactions.

11.12 **Independent Legal Advice and Waiver of Conflict.**

Each Canndora Shareholder acknowledges that, prior to executing this Agreement, such Canndora Shareholder has received independent legal advice and such Canndora Shareholder confirms that such Canndora Shareholder fully understands this Agreement and is entering into this Agreement voluntarily. The Parties acknowledge and agree that Farris LLP is engaged as counsel to both Kootenay and Canndora. The Parties agree to this engagement, and waive any claim the Parties might have against Farris LLP relating to this conflict. In addition, the Parties confirm that Farris LLP has advised all Parties to obtain independent legal advice before signing this Agreement, and have had a reasonable opportunity to do so.

11.13 **Announcements.**

None of the Parties may make a press release, public statement or announcement or other public disclosure in respect of this Agreement or the transactions contemplated in this Agreement without the prior written consent of the other Parties, unless required by Applicable Law or a Governmental Authority. Where such disclosure is required by Applicable Law or a Governmental Authority, the Party required to make such disclosure provide notice to the other Parties as soon as reasonably possible and shall to the extent possible consult with the other Parties with respect to the content and timing of such disclosure.

11.14 **Entire Agreement.**

This Agreement (including the Canndora Disclosure Schedule, the Annexes, the Exhibits and the other schedules referred to herein and which form part hereof), the Amalgamation Agreement and the Amalgamation Application contain the complete agreement among the Parties and supersede any prior understandings, agreements or representations by or among the Parties, whether written or oral, with respect to the subject matter hereof and thereof, including the Letter Agreement. This Agreement may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the Parties. There are no unwritten or oral agreements between the Parties.

[Signature Page Follows]

**IN WITNESS WHEREOF**, each Party has caused this Agreement to be duly executed and delivered as of the date first written above.

**KOOTENAY ZINC CORP.**

By: *"Von Torres"*

Name: Von Torres

Title: Chief Executive Officer

**1251750 B.C. LTD.**

By: *"Marc Mulvaney"*

Name: Marc Mulvaney

Title: Director

**CANNDORA DELIVERY LTD.**

By: *"David Jenkins"*

Name: David Jenkins

Title: Director

SIGNED AND DELIVERED in the presence of: )
)
)
)
)

*"David Jenkins"*

Witness: ) **DAVID JENKINS**

**1226053 B.C. LTD.**

By: *"Avtar Dhaliwal"*

Name: Avtar Dhaliwal

Title: Director

**TUTUM HOLDINGS**

By: *"Kevin Su"*

Name: Kevin Su

Title: Director

**2613560 ONTARIO INC.**

By: *"Mike Dai"*

Name: Mike Dai

Title: Director

**PREHISTORIC PETROLEUM INC.**

By: *"Jonathan Held"*

Name: Jonathan Held

Title: Director

**CAY INNOVATIONS**

By: *"Cody Simpson"*

Name: Cody Simpson

Title: Director

**NERONA CAPITAL LTD.**

By: *"Marcos Kraemer"*

Name: Marcos Kraemer

Title: Director

**Annex 1**
**List of Canndora Shareholders**

[Redacted]

**Annex 2**
**Payment Shares**

[Redacted]

**Annex 3**
**Canndora Disclosure Schedule**

[Redacted]

**Exhibit A**
**Form of Amalgamation Agreement**

**AMALGAMATION AGREEMENT**

THIS AMALGAMATION AGREEMENT made effective as of the ____ day of _____, 2020

BETWEEN:

**KOOTENAY ZINC CORP.**, a British Columbia company having its registered office at 2200 HSBC Building, 885 West Georgia Street, Vancouver, BC V6C 3E8

("**KOOTENAY**")

AND:

**1251750 B.C. LTD.**, a British Columbia company having its registered office at 25th Floor, 700 West Georgia Street, Vancouver, BC V7Y 1B3

("**SUBCO**")

AND:

**GREENY COLLABORATION GROUP (CANADA) INC.**, a British Columbia company having an address at 1005 Alpha Lake Rd., Suite18, Whistler, BC V0N 1B1

("**GREENY**")

AND:

**CANNDORA DELIVERY LTD.**, a British Columbia company having an office at 403 1355 Bellevue Ave, West Vancouver, BC V7T 0B4

("**CANNDORA**")

WHEREAS pursuant to a business combination agreement dated June 23, 2020 among Kootenay, SubCo and Greeny (the "**Greeny Business Combination Agreement**") and pursuant to a business combination agreement dated June 23, 2020 among Kootenay, SubCo and Canndora (the "**Canndora Business Combination Agreement**"), SubCo, Canndora and Canndora (collectively, the "**Companies**") have agreed to amalgamate (the "**Amalgamation**") pursuant to the *Business Corporations Act*, S.B.C. 2002, c. 57, as amended (the "**Act**") on the terms and conditions set out in the Greeny Business Combination Agreement, Canndora Business Combination Agreement and this Agreement,

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual agreements, covenants and conditions contained in this Agreement, each of the Companies covenants and agrees with the other as follows:

(1) In this Agreement, the expression "Amalgamated Company" shall mean the company continuing from the Amalgamation.

(2) Each of the Companies agrees to amalgamate under the provisions of the Act and to continue as one company under the terms and conditions set out in this Agreement.

(3) The name of the Amalgamated Company shall be "1251750 B.C. Ltd.".

(4) The form of the Amalgamation application to be filed with the British Columbia Ministry of Finance shall be prepared with and conform to the terms set forth in this Agreement, the Greeny Business Combination Agreement and Canndora Business Combination Agreement.

(5) The Notice of Articles of the Amalgamated Company shall be in the form set out in Schedule 1 to this Agreement, and the Articles of the Amalgamated Company shall be the Articles adopted by the directors of the Amalgamated Company.

(6) The mailing and delivery addresses of the registered and records offices of the Amalgamated Company, until changed in accordance with the Act, shall be as set out in the Notice of Articles referred to in paragraph (5) of this Agreement.

(7) The number of directors of the Amalgamated Company, until changed in accordance with the Articles of the Amalgamated Company, shall be 1. The full names and prescribed addresses of the first director of the Amalgamated Company is:

| Full Name | Prescribed Address |
|---|---|
| Marc Mulvaney | [Redacted] |

Such directors shall hold offices until he ceases to hold office as specified in the Act, or in the Articles of the Amalgamated Company. The directors shall carry on and continue the operations of the Amalgamated Company in such manner as they shall determine, subject to and in accordance with the Articles of the Amalgamated Company and the Act.

(8) The full names and offices of the first officers of the Amalgamated Company are:

| Name | | Office Held |
|---|---|---|
| Marc Mulvaney | - | President |

The officers shall hold office at the pleasure of the directors of the Amalgamated Company.

(9) The authorized share structure of the Amalgamated Company shall be the same as the authorized share structure of SubCo and shall consist of the classes of shares set out in the Notice of Articles referred to in paragraph (5) of this Agreement and the classes of shares shall have attached to them the special rights or restrictions set out in the Articles of the Amalgamated Company.

(10) The issued and outstanding shares of SubCo, Canndora and Canndora shall all be exchanged for an aggregate of 1 common share without par value of the Amalgamated Company registered in the name of Kootenay.

(11) 1 common share in the share capital of SubCo registered in the name of Kootenay, [insert shareholdings of Greeny and Canndora to be cancelled] shall be cancelled at the time that the Amalgamation takes effect without any repayment of capital in respect thereof and without being exchanged for securities of the Amalgamated Company or of any other corporation or money, except as described above, pursuant to section 270(3) of the Act.

(12) After the Amalgamation becomes effective, each shareholder of any of the Companies who is entitled to receive shares of the Amalgamated Company in exchange for its shares in the particular Company, as set out herein, may at any time surrender the certificate or certificates representing the shares of the particular Company held by such shareholder to the Amalgamated Company, and in return shall be entitled to receive a certificate representing shares of the Amalgamated Company on the basis set out herein. Until such surrender and exchange, the share certificate or certificates representing shares of the particular Company held by each such shareholder, as applicable, shall be evidence of each such shareholder's right to be registered as a shareholder of the Amalgamated Company.

(13) The financial year of the Amalgamated Company shall end on February 28 in each year until changed by the directors of the Amalgamated Company.

(14) All obligations of each of the Companies immediately prior to the Amalgamation shall attach to the Amalgamated Company and the Amalgamated Company shall continue to be liable for them.

(15) The Amalgamation shall take effect and go into operation effective 12:01 a.m. on the Effective Date (as defined in the Greeny Business Combination Agreement and Canndora Business Combination Agreement), if this Agreement has been approved as required by law and all necessary documentation has been filed with Registrar before that time, or at such later time, or time and date, as may be determined by the directors of the Companies when this Agreement shall have been adopted as required by law.

(16) Upon the Amalgamation taking effect and thereafter, the Amalgamated Company shall be seized of and shall hold and possess all the properties, rights and interests of, and shall be subject to all the debts, liabilities and obligations of, each of the Companies without any further deeds, transfers or conveyances, as fully and effectually and to all intents and purposes as the same are held or borne by each of the Companies, respectively, immediately prior to the Amalgamation, and the director of the Amalgamated Company shall have full power to carry the Amalgamation into effect and to perform such acts as are necessary or proper for such purposes. The provisions of this paragraph shall not be deemed to exclude any of the effects, rights or privileges that at law may be incidental to or result from the Amalgamation, whether or not herein specifically mentioned. The shareholders of each of the Companies shall be bound by the terms of this Agreement.

(17) The Companies agree that they will, jointly and together, file with the Registrar the Amalgamation application in accordance with the Greeny Business Combination Agreement and the Canndora Business Combination Agreement.

(18) Each of the Companies agrees to do, execute and deliver, and cause to be done, executed and delivered, all such further acts, deeds, documents and instruments as are necessary or desirable to give full force and effect to this Agreement.

(19) This Agreement may be executed in any number of counterparts with the same effect as if all parties had signed the same document. All of these counterparts will for all purposes constitute one agreement, binding on the parties, notwithstanding that all parties are not signatories to the same counterpart. A fax transcribed copy or photocopy of this Agreement executed by a party in counterpart or otherwise will constitute a properly executed, delivered and binding agreement or counterpart of the executing party.

***[Remainder of page left intentionally blank]***

IN WITNESS WHEREOF each of the Companies have duly executed this Agreement effective the day and year first above written.

**KOOTENAY ZINC CORP.**

Per: _____
Authorized Signatory

**1251750 B.C. LTD.**

Per: _____
Authorized Signatory

**GREENY COLLABORATION GROUP (CANADA) INC.**

Per: _____
Authorized Signatory

**CANNDORA DELIVERY LTD.**

Per: _____
Authorized Signatory

**SCHEDULE 1**

**NOTICE OF ARTICLES**

[To be inserted]