

ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made effective on February 23, 2023 (the “**Effective Date**”).

AMONG:

PEAKBIRCH COMMERCE INC., a company incorporated under the laws of British Columbia, with a business address of 400 - 837 West Hastings Street, Vancouver, British Columbia, V6C 3N6 (the “**Buyer**”)

AND:

KIARO BRANDS INC., company incorporated under the laws of British Columbia with registered address of Suite 2600, 1066 West Hastings Street Vancouver, British Columbia V6E 3X1 (“**Brands**”)

AND:

KIARO DIGITAL INC., company incorporated under the laws of British Columbia with registered address of Suite 2600, 1066 West Hastings Street Vancouver, British Columbia V6E 3X1 (“**Kiario Digital**” and together with Brands, the “**Sellers**”)

WHEREAS, the Sellers wish to sell, and the Buyer wishes to purchase, all of the rights and interest of the Sellers in the Acquired Assets (as defined herein) used in the operation of the Business (as defined herein) on the terms and conditions set forth herein.

THEREFORE this Agreement witnesses that, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged by each party hereto, the parties agree as follows:

1. Definitions and Interpretation

1.1 In this Agreement, including the recitals hereto and the attached Schedules, unless the context otherwise requires, the following expressions will have the following meanings:

- (a) “**Acquired Assets**” has the meaning set forth in Section 2.2 hereof.
- (b) “**Applicable Law(s)**” means all laws, statutes, codes, ordinances, decrees, rules, regulations, by-laws, statutory rules, principles of law, published policies and guidelines, judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, orders, decision, rulings or awards, including general principles of common and civil law, and the terms and conditions of any grant of approval, permission, authority or licence of any government authority, that, in a context that refers to one or more persons apply to the person or persons, or its or their business, undertaking, property or shares, and emanate from a government authority having jurisdiction over the person or person or its or their business, undertaking, property or shares.
- (c) “**Business**” means the e-commerce herbal vaporizers and accessories retail business operated by the Kiario Vaped Subsidiaries (indirectly by the Sellers) under the brand names “Vaped” and “Vaporizer Direct”.

- (d) **“Books and Records”** means all books, records, files and papers of the Kiaro Vaped Subsidiaries relating to the Business, including title documentation, computer programs (including source codes and software programs), computer manuals, computer data, financial and tax working papers, financial and tax books and records, business reports, business plans and projections, sales and advertising materials, sales and purchases records and correspondence, trade association files, research and development records, lists of present and former customers and suppliers, personnel and employment records, minute and share certificate books, all other documents and data (technical or otherwise) relating to the Business and all copies and recordings of the foregoing.
- (e) **“Closing”** has the meaning set forth in Section 9.1 hereof.
- (f) **“Domains”** means the domain names used in connection with the operation of the Business, including the following:
 - (i) Vaped.com
 - (ii) Vaped.ca
- (g) **“Encumbrance”** means, whether or not registered or registrable or recorded or recordable, and regardless of how created or arising:
 - (i) a mortgage, assignment of rent, lien, encumbrance, adverse claim, charge, execution, title defect, security interest, hypothec or pledge, whether fixed or floating, against assets or property (whether real, personal, mixed, tangible or intangible), hire-purchase agreement, conditional sales contract, title retention agreement, equipment trust or financing lease, and a subordination to any right or claim of others in respect thereof;
 - (ii) a claim, interest or estate against or in assets or property (whether real, personal, mixed, tangible or intangible), granted to or reserved or taken by any Person;
 - (iii) an option or other right to acquire, or to acquire any interest in, any assets or property;
 - (iv) any other encumbrance of whatsoever nature and kind against assets or property (whether real, personal, mixed, tangible or intangible); and
 - (v) any agreement to create, or right capable of becoming, any of the foregoing;
- (h) **“Exchange Approval”** has the meaning set forth in Section 7.1(c) hereof.
- (i) **“GAAP”** means generally accepted accounting principles in effect from time to time in Canada, including those principles set forth in the Handbook published by the Canadian Institute of Chartered Accountants or any successor institute, consistently applied.
- (j) **“Kiaro Australia”** means Kiaro Australia Pty Ltd., a corporation incorporated under the laws of New South Wales, Australia.
- (k) **“Kiaro Australia Shares”** means all of the issued and outstanding shares of Kiaro Australia, as further set forth in Schedule A attached hereto.
- (l) **“Kiaro Vaped”** means 8651159 Canada Inc. (formerly Sculthorp SEO Inc.), a corporation incorporated under the Canada Business Corporations Act.

- (m) “**Kiario Vaped Shares**” means all of the issued and outstanding shares of Kiario Vaped, as further set forth in Schedule A attached hereto.
- (n) “**Kiario Vaped Subsidiaries**” means, collectively, Kiario Vaped and Kiario Australia, and “**Kiario Vaped Subsidiary**” means each of them.
- (o) “**Liabilities**” means obligations, liabilities, settlement payments, awards, judgments, fines, penalties, damages, losses, all taxes, including taxes arising as a result of an assessment or reassessment, costs (including remediation costs) and expenses (including reasonable fees and disbursements of legal counsel, consultants, expert witnesses and other professionals and including any other costs incurred in investigating, defending or pursuing any legal proceeding), deficiencies and other charges.
- (p) “**Legal Proceeding**” means any claim, demand, action, cause of action, litigation, suit, inquiry, investigation, complaint, grievance, notice, application, hearing, arbitration or other civil, criminal, regulatory or administrative proceeding or similar proceeding, by or before any court or regulatory or administrative agency, authority or tribunal and includes any judgement, decree, order or other ruling in respect thereof, any review or appeal thereof and any application for leave for review or appeal thereof.
- (q) “**Material Adverse Effect**” means any event, occurrence, fact, condition or change that, taking as a whole, has had a materially adverse effect on (a) the Acquired Assets, the Kiario Vaped Subsidiaries or the results of operations, condition (financial or otherwise) of the Business, or (b) the ability of the Seller to consummate the transactions contemplated hereby on a timely basis; provided, however, that in determining whether a Material Adverse Effect has occurred, there shall be excluded on the referenced party the cause of which is any action or omission of the Sellers taken with the prior written consent of the Buyer or as permitted by this Agreement.
- (r) “**Ordinary Course**” means, with respect to an action taken by a person, that the action is consistent with the past practices of the person and is taken in the normal day-to-day operations of the person.
- (s) “**Purchase Price**” has the meaning set forth in Section 2.1 hereof.
- (t) “**Regulatory Approvals**” means the approvals, consents or permissions required from the regulatory authority under Applicable Laws for the transactions contemplated in this Agreement.
- (u) “**Transfer Documents**” means any and all instrument of transfer, deeds of title, assignments, bills of sale, conveyance documents, forms and other instruments and documents necessary to duly and validly record and effect with the relevant regulatory and administrative agencies and authorities and third parties the due and valid sale, assignment, transfer and conveyance from the Sellers to the Buyer of all right, title and interest in and to the Acquired Assets.

1.2 In this Agreement, unless something in the subject matter or context is inconsistent therewith:

- (a) A reference to: (i) the singular includes the plural and vice versa; (ii) an individual includes corporations, partnerships, trusts and other legal constructs and vice versa; (iii) a gender includes the opposite gender; and (iv) one form of legal construct includes all other forms of legal construct interchangeably.

- (b) A reference to “\$” or “dollars” is a reference to the lawful currency of Canada.
- (c) A reference to a business day shall refer to a day on which banks are ordinarily open for business in Vancouver, British Columbia. A reference to time shall refer to Pacific Standard Time. If a date is, or the last day of a period ends on a date that is not, a business day, such date or time period will be extended to the next succeeding business day.
- (d) A reference to a statute or “laws” shall include all rules, regulations, notices, orders, policies and other instruments made pursuant thereto or in supplement thereof, and all amendments, re-enactments and replacements thereof from time to time.
- (e) A reference to the best knowledge of a party and words of similar import shall mean the actual knowledge of the party and that which should have been known after diligent and reasonable inquiry
- (f) The division of this Agreement into articles, sections and other subdivisions, and the inclusion of headings, are for ease of reference only and shall not affect the construction or interpretation of this Agreement.
- (g) The rule of construction to the effect that any ambiguity is to be resolved against the drafting party shall not be applicable in the construction or interpretation of any of the terms and conditions of this Agreement.

2. Purchase and Sale

2.1 The consideration to be paid by the Buyer to the Sellers for the Sellers’ interest and rights in and to the Acquired Assets shall be \$250,000.00 (the “**Purchase Price**”) payable on Closing in accordance with Section 9.2.

2.2 Subject to the terms and conditions of this Agreement, on Closing, in consideration for the Purchase Price, the Sellers hereby agree to sell, convey, assign, transfer and deliver to the Buyer, and the Buyer hereby agrees to purchase and acquire from the Sellers, free and clear of any liens, charges and Encumbrances, all of the right, title, and interest in and to the following property and assets in respect of the Business (collectively, the “**Acquired Assets**”):

- (i) the Kiaro Vaped Shares;
- (ii) the Kiaro Australia Shares; and
- (iii) the Domains;

together with any claims and other enforcement rights of each of the Sellers in respect with or relating to any of the foregoing.

2.3 The Sellers and the Buyer agree that all taxes payable for the transfer of the Acquired Assets from the Sellers to the Buyer as contemplated herein (including, where applicable, all retail sales, excise and commodity taxes, payable) shall be paid by the Buyer. The Buyer shall, on request, provide the Sellers with written evidence of all such remittances.

2.4 The Purchase Price shall be allocated among the Acquired Assets in the manner attached as Schedule “B” to this Agreement.

3. Payment of the Purchase Price

3.1 On Closing, the Purchase Price shall be paid by the Buyer to the Sellers' solicitor, MLT Aikins LLP, in trust, in immediately available funds by wire transfer, bank draft or certified cheque.

4. Transfer of Acquired Assets and Assumption of Liabilities

4.1 On Closing, the Sellers shall deliver to the Buyer the Acquired Assets.

4.2 Subject to compliance with the terms and conditions hereof, the transfer of possession of the Acquired Assets shall be deemed to take effect as at 12:01 am on the date of Closing (the "**Closing Date**").

4.3 Unless otherwise specified herein, any and all liabilities of the Business up to the Closing Date shall be the responsibility of the Sellers ("**Excluded Liabilities**"), and any and all liabilities of the Business on and from the Closing Date shall be the responsibility of the Buyer ("**Assumed Liabilities**"). On and following Closing, the Sellers shall hold and indemnify the Buyer harmless from any and all Excluded Liabilities and the Buyer shall hold and indemnify the Sellers harmless from any and all Assumed Liabilities.

5. Exclusivity

5.1 Until the Closing or termination of this Agreement, as applicable, the Sellers shall not, and shall not permit or suffer any of, as applicable, its directors, officers, partners, employees, consultants or agents, including without limitation investment bankers, attorneys and accountants to solicit, encourage, discuss or accept any offer for the direct or indirect sale, assignment, transfer or conveyance of the Acquired Assets, or any part thereof or interest therein, whether as a primary or backup offer, or take any other action with the intent or reasonably foreseeable effect of leading to any commitment, agreement or understanding to sell, assign, transfer or convey the Acquired Assets, or any part thereof or interest therein, or otherwise frustrate the terms and conditions of this Agreement or the transactions contemplated hereby.

6. Confidentiality

6.1 From the date of this Agreement to Closing, the Buyer and its respective employees, agents, counsel, auditors and other representatives (as applicable) may be given access to the confidential information of the Sellers. Prior to completion of the transactions contemplated herein, or in the event of termination of this Agreement, the Buyer and its respective representatives shall keep confidential any information (unless readily ascertainable from public or published information or sources) obtained from the Sellers.

6.2 Subject to Section 6.3 below, after the Closing the Sellers shall, and shall cause its employees, consultants, affiliates or representatives to maintain any trade secrets and information that is not generally known to the public or information that would be reasonably considered confidential or proprietary relating to the Business, including but not limited to financial information, information relating to customers, suppliers or business partners of the Business, marketing plans and techniques, the terms and conditions of this Agreement and all discussions between the parties relating thereto (the "**Business Confidential Information**") in strict confidence, and shall not disclose such Business Confidential Information to any third party, or use such Business Confidential Information for any purpose unrelated to fulfilling its obligations under this Agreement, without the consent of the Buyer.

6.3 Subject to section 6.4 below, Unless otherwise required by Applicable Law (based upon the reasonable advice of counsel), no party to this Agreement shall make any public announcements in respect of this Agreement or the transactions contemplated hereby without the prior written consent of the other

party (which consent shall not be unreasonably withheld or delayed), and the parties shall cooperate as to the timing and content of any such announcement.

6.4 The parties acknowledge and agree that the parent company of Brands, Kiaro Holdings Corp. (“KHC”) and the Buyer are reporting issuers under Canadian securities laws, and as a result, KHC and the Buyer are required under applicable securities laws and regulations to make certain disclosure relating to the matters contemplated in this Agreement (including the content of this Agreement) in the form of a press release, material change report, and a management information circular distributed to KHC shareholders for the purpose of approving this Agreement). The Buyer and Sellers agree that any such disclosure shall not constitute a breach by Sellers of this Article 6.

7. Additional Covenants

7.1 Each party hereto hereby agrees to conduct its business and affairs and otherwise use commercially reasonable efforts such that:

- (a) the respective party's representations and warranties herein contained remain true and correct in all material respects up to the Closing;
- (b) the respective party's covenants herein contained are performed in all material respects prior to and as at the Closing and prior to the Termination Date (as that term is defined in Section 11.1 below);
- (c) the consents and approvals required to be obtained hereunder for the transfer of the Acquired Assets, including but not limited to the Regulatory Approvals and the Exchange Approval (to the extent necessary), are obtained within a reasonable period of time after the Effective Date, and in any event prior to Closing; and
- (d) the conditions herein contained, to the extent that such conditions are within the control or influence of the respective party, are observed and satisfied in all material respects prior to and as at the Closing.

7.2 If any consent, approval or authorization necessary to preserve any right or benefit under any Contract to which any Seller is a party is not obtained before the Closing, the Sellers shall, after the Closing, cooperate with the Buyer in attempting to obtain such consent, approval or authorization as promptly thereafter as practicable.

7.3 From the date of this Agreement until the Closing Date, except as otherwise provided in this Agreement or consented to in writing by the Buyer, the Sellers shall conduct the Business in the Ordinary Course consistent with past practices and use its reasonable best efforts to maintain and preserve intact its current Business organization and goodwill and relationships of its employees, customers, suppliers, regulators and others having relationships with the Business. Without limiting the foregoing, from the date hereof until the Closing Date, the Sellers shall:

- (a) not amend the constating documents of the Kiaro Vaped Subsidiaries;
- (b) preserve and maintain, and renew, as applicable, all permits required for the conduct of the Business as currently conducted or the ownership and use of the Acquired Assets;
- (c) pay the debts, taxes and other obligations of the Business when due in the Ordinary Course;
- (d) continue to collect accounts receivable in a manner consistent with past practice, without discounting such accounts receivable;

- (e) maintain the properties and assets underlying the Acquired Assets in the same condition as they were on the date of this Agreement, subject to reasonable wear and tear;
- (f) to the extent applicable, continue in full force and effect without modification all insurance policies related to the Business and comply with its obligations thereunder, including reporting all events that may give rise to a claim under such policies to such insurers as required by the applicable policy;
- (g) defend and protect the properties and assets included in the Acquired Assets from infringement or usurpation;
- (h) manage the inventory of the Business in a manner consistent with past practice and refrain from disposing of or otherwise transferring any inventory outside of the Ordinary Course;
- (i) maintain the Books and Records in accordance with past practice;
- (j) maintain all permits required for the operation of the Business in good standing; and
- (k) comply in all material respects with all laws applicable to the conduct of the Business or the ownership and use of the Acquired Assets.

7.4 From the date of this Agreement until the Closing Date or the Termination Date, the Sellers shall (a) afford the Buyer and its representatives full and free access to and the right to inspect all of the properties, assets, premises, Books and Records and other documents and data related to the Business; (b) furnish the Buyer and its representatives with such financial, operating and other data and information related to the Business as the Buyer or any of its representatives may reasonably request; and (c) instruct the representatives of the Sellers to cooperate with the Buyer in its investigation of the Business. Any investigation under this Section 7.4 shall be conducted in normal business hours with at least forty-eight (48) hours advance notice and in such manner as not to interfere unreasonably with the conduct of the Business or any other businesses of the Sellers. No investigation by the Buyer or other information received by the Buyer shall operate as a waiver or otherwise affect any representation, warranty or agreement given or made by the Sellers in this Agreement.

8. Conditions to Closing

8.1 The Buyer's obligation to complete the transactions contemplated herein are conditional upon the fulfillment or waiver of the following conditions as of the Closing:

- (a) the representations and warranties of the Sellers in this Agreement shall be true in all material respects as of the Closing;
- (b) the covenants of the Sellers required to be performed prior to Closing shall have been performed as of the Closing;
- (c) the receipt by the Buyer and the Sellers of all required approvals for this Agreement and the transactions contemplated herein, including, to the extent required, the Regulatory Approvals and the approval of the TSX Venture Exchange and the Canadian Securities Exchange (the "**Exchange Approval**");
- (d) between the date hereof and the Closing, there exists no current, pending or threatened Legal Proceeding (other than any such proceeding that has been disclosed to the Buyer by Sellers prior to the Effective Date) that has or could have the effect of preventing, restricting or placing conditions unacceptable to the Buyer in its sole discretion on (i) the

transfer to the Buyer of the Acquired Assets free and clear of all liens, charges and Encumbrances; and (ii) the completion of any other transaction contemplated herein;

- (e) between the Effective Date and the Closing, there shall not have occurred any event or condition which has had a Material Adverse Effect on the Business;
- (f) the acquisition of the Acquired Assets not being considered a “Significant Acquisition” by the Buyer pursuant to National Instrument 51-102 – *Continuous Disclosure Obligations*;
- (g) the Buyer obtaining all corporate approvals for this Agreement and the transactions contemplated hereunder, including, if required, the approval of its shareholders; and
- (h) the Buyer being satisfied in its investigation and due diligence inquiry on the Sellers, the Kiaro Vaped Subsidiaries, the Business and the Acquired Assets in its sole and absolute discretion,

and the foregoing conditions shall be for the exclusive benefit of the Buyer and may be waived by it in whole or in part without prejudice to the non-fulfillment of any other conditions for the benefit of the Buyer or any rights or remedies available to the Buyer at law or in equity.

8.2 The Sellers’ obligation to complete the transactions contemplated herein are conditional upon the fulfillment of the following conditions as of the Closing:

- (a) the representations and warranties of the Buyer in this Agreement shall be true in all material respects as of the Closing;
- (b) the covenants of the Buyer required to be performed prior to Closing shall have been performed as of the Closing;
- (c) the receipt by the Buyer and the Sellers of all required approvals for this Agreement and the transactions contemplated herein, including, to the extent required, the Regulatory Approvals and the Exchange Approval;
- (d) the Sellers obtaining all corporate approvals for this Agreement and the transactions contemplated hereunder, including, if required, the approval of its shareholders; and
- (e) payment of the Purchase Price,

and the foregoing conditions shall be for the exclusive benefit of the Sellers and may be waived by the Sellers in whole or in part without prejudice to the non-fulfillment of any other conditions for the benefit of the Sellers or any rights or remedies available to the Sellers at law or in equity.

9. Closing

9.1 The completion of the purchase and sale of the Acquired Assets (the “**Closing**”) shall take place on June 30, 2023, or such later date as may be agreed to by the parties. The parties, shall make best efforts to satisfy or waive all the conditions precedent set out therein by that date, except if any such conditions and precedents are not satisfied by that date due to circumstances outside of the reasonable control of the parties the parties, acting reasonably, shall extend the date of the Closing.

9.2 At the Closing,

- (a) the Buyer shall deliver to the Sellers:

- (i) the Purchase Payment;
 - (ii) a certified copy of the resolutions of the Buyer's directors authorizing the execution, delivery and implementation of this Agreement and the transactions contemplated thereunder;
 - (iii) a domain assignment agreement ("**Domain Assignment**"), in a form acceptable to the parties for the transfer of the Domains to the Buyer duly executed by the Buyer, dated effective of the Closing Date; and
 - (iv) such other instruments and documents as may be reasonably requested by the Buyer to evidence or give effect to the matters contemplated herein or hereby.
- (b) the Sellers shall deliver to the Buyer:
- (i) a copy of the resolutions of each of the Sellers' directors authorizing the execution, delivery and implementation of this Agreement and the transactions contemplated thereunder;
 - (ii) an instrument of transfer for the transfer of the Kiaro Vaped Shares duly executed by Brand, dated effective of the Closing Date;
 - (iii) an instrument of transfer for the transfer of the Kiaro Australia Shares duly executed by the Seller, dated effective of the Closing Date;
 - (iv) resignations and releases duly executed by the directors and officers of Kiaro Vaped and Kiaro Australia. dated effective of the Closing Date;
 - (v) the Books and Records, including the corporate records books of the Kiaro Vaped Subsidiaries;
 - (vi) login credentials for all service accounts or social media accounts relating to the Business;
 - (vii) the Domain Assignment duly executed by Kiaro Digital dated effective of the Closing Date;
 - (viii) a certificate from each of the Sellers (or such evidence as the Buyer may reasonably require) confirming that such Seller is a resident of Canada as such term is defined in the *Income Tax Act*; and
 - (ix) such other instruments and documents as may be reasonably requested by the Buyer to evidence or give effect to the matters contemplated herein or hereby.

10. Representations and Warranties

10.1 The Sellers represent and warrant to the Buyer that, and shall otherwise cause at all material times that as of the Effective Date of this Agreement and the Closing Date:

Corporate

- (a) each Seller is duly incorporated, validly existing and in good standing under the laws of the Province of British Columbia;

- (b) each of the Kiaro Vaped Subsidiaries is duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation;
- (c) each Seller has the requisite legal power, capacity and authority and has taken all necessary action and has obtained all necessary approvals to enter into and execute this Agreement and carry out its obligations hereunder;
- (d) each Seller is not subject to any bankruptcy, insolvency, liquidation, winding-up or similar proceeding, whether in progress, pending, contemplated or threatened, nor is the Seller aware of any facts, circumstances or other basis that could result in any of the foregoing;
- (e) each of the Kiaro Vaped Subsidiaries are not subject to any bankruptcy, insolvency, liquidation, winding-up or similar proceeding, whether in progress, pending, contemplated or threatened, nor is the Seller aware of any facts, circumstances or other basis that could result in any of the foregoing;
- (f) each Seller has duly and validly executed this Agreement, and this Agreement constitutes a legal, valid and binding obligation enforceable against such Seller in accordance with the its terms except that (i) enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally; (ii) equitable remedies, including the remedies of specific performance and injunctive relief, are available only in the discretion of the applicable court; (iii) rights of indemnity and contribution hereunder may be limited under Applicable Law; and (iv) a court may stay proceedings before it by virtue of equitable or statutory powers;
- (g) neither each Seller's entering into, execution or delivery of this Agreement nor such Seller carrying out its obligations hereunder will constitute or result in a breach of or default under, or create a state of facts which after notice or lapse of time or both will constitute or result in a breach of or default under, or will otherwise violate or conflict with (i) if it is not an individual, its constituting documents or any resolutions of its directors, shareholders or partners, (ii) other than as disclosed to the Buyer prior to the Effective Date, any indenture, agreement or instrument to which it is a party or by which it is bound, or (iii) any Applicable Laws, or (iv) any judgments, orders, rulings or other binding decisions of a court or regulatory authority having jurisdiction over it;
- (h) there are no outstanding liabilities, or actions, suits, proceedings, investigations or claims pending or, to the knowledge of the Sellers, threatened against the Sellers or the Kiaro Vaped Subsidiaries for taxes payable, collectible or remittable by the Sellers or the Kiaro Vaped Subsidiaries, whether assessed or not, which may result in the Buyer becoming liable or responsible therefor;

Assets

- (i) a complete and accurate list and full description of the Acquired Assets shall be set forth in Schedule "A" attached hereto as of the Closing Date;
- (j) other than the Domains, all of the assets required to operate the Business as the Business is currently operated are owned by the Kiaro Vaped Subsidiaries;
- (k) Brands is the sole legal and beneficial owner of all the right, title and interest in and to the Kiaro Vaped Shares and the Kiaro Australia Shares, and the Kiaro Vaped Shares and the

Kiaro Australia Shares constitute all of the issued and outstanding shares of the Kiaro Vaped Subsidiaries;

- (l) Kiaro Digital is the sole legal and beneficial owner of all the right, title and interest in and to the Domains;
- (m) there is no right, privilege, option or agreement, contingent or otherwise, nor is there any matter capable of become any right, privilege, option or agreement, for any person to purchase or otherwise acquire, directly or indirectly, the Acquired Assets or any part thereof or any right, interest or entitlement comprised therein or thereby;
- (n) there is no actual, pending or, to the best of its knowledge, contemplated or, to the knowledge of the Sellers, threatened Legal Proceedings which may result in or could reasonably be expected to have a Material Adverse Effect on the Sellers (other than as disclosed to the Buyer prior to the Effective Date), the Kiaro Vaped Subsidiaries or the Acquired Assets;
- (o) there are currently no pending or threatened actions, suits or proceedings against or affecting the Sellers, its Business, the Kiaro Vaped Subsidiaries or the Acquired Assets;
- (p) the Business currently and has been conducted in compliance with the Applicable Laws;
- (q) all Books and Records have been prepared, assembled and maintained in accordance with GAAP and usual and customary industry policies and procedures and are complete and accurate in all material respects; and
- (r) at all material times before the Closing, the inventory of the Business has been managed in a manner consistent with past practice and in the Ordinary Course and the Kiaro Vaped Subsidiaries have refrained from disposing of or otherwise transferring any inventory of the Business outside of the Ordinary Course;

Permits

- (s) the permits required for the operation of the Business are in good standing and have not been amended since the date of issuance, none of the permit holders is not in default or breach of any of its obligations under any such permits;
- (t) there are currently no pending or threatened administrative or other proceedings by or before any governmental authority in relation to such permits or the Business;

Employees

- (u) Schedule "C" attached hereto provides a complete list of the employees and independent contractors of the Business;
- (v) none of the employees and the independent contractors employed or engaged by the Business is subject to any collective agreements or letters of understanding, letters of intent or other written communication with any trade union or association or organization that may qualify as a trade union or association, contingent or otherwise, and are not, in their capacities as employees, represented by any trade union or association or organization that may qualify as a trade union or association;

- (w) there are no controversies, labour disturbances, investigations, proceedings pending or threatened, by any governmental authority with respect to any employees or independent contractors of the Business;

Intellectual Property

- (x) Kiaro Digital is the sole and exclusive legal and beneficial owner of all right, title and interest in and to the Domains;
- (y) Kiaro Australia is the sole and exclusive legal and beneficial owner of all right, title and interest to <https://vaporizersdirect.com.au/>;
- (z) Kiaro Digital has not transferred, assigned, licensed or otherwise granted any third party any rights or licenses to the Domains;
- (aa) Kiaro Australia has not transferred, assigned, licensed or otherwise granted any third party any rights or licenses to <https://vaporizersdirect.com.au/>;

Other

- (bb) since the Effective Date, there has not been an event, occurrence or development that has had, or could reasonably be expected to have a Material Adverse Effect on the Business or the Kiaro Vaped Subsidiaries;
- (cc) the Sellers have not entered into any agreement or arrangement, written or oral, that would entitle any person to any claim against the Buyer for a brokerage or finder fee, commission or other compensation or like payment in respect of this Agreement and the transactions contemplated herein; and
- (dd) each Seller is not a non-resident of Canada for the purposes of the *Income Tax Act* (Canada).

10.2 The Buyer represents and warrants to the Sellers that, and shall otherwise cause at all material times that:

- (a) the Buyer is a corporation validly existing under the laws of British Columbia;
- (b) the execution, delivery and performance of this Agreement has been or will have been on Closing duly authorized by all necessary corporate action; and
- (c) the Buyer is not party to, bound by, or subject to any agreement, indenture, mortgage, lease, instrument, order, judgment, decree, or any provision of its articles or bylaws, which would be violated, contravened or infringed by the execution and delivery of this Agreement by the Buyer or the performance of its obligations under this Agreement.

10.3 The representations and warranties in Sections 10.1(a) – (e) and Section 10.2 shall at Closing be repeated as if made thereat, and shall survive indefinitely. The representations and warranties in Sections 10.1(f) – (cc) shall at Closing be repeated as if made thereat, and shall survive for a period of one year following the Closing or earlier termination of this Agreement.

10.4 Notwithstanding any other provision to the contrary, the Buyer agrees that (i) it shall not assert any claim or claims with respect to the breach of any representation, warranty, covenant or agreement under this Agreement unless the aggregate amount of claim or claims asserted to that date, including the claims

or claims being asserted, is at least \$25,000, and (ii) that its total aggregate entitlement to damages in respect of any claim in accordance with the foregoing shall in no case exceed the Purchase Price.

11. Termination

11.1 Prior to Closing, this Agreement may be terminated as follows by mutual written consent of the parties effective the date of such consent (“**Termination Date**”).

11.2 Upon termination as set forth herein, the parties, except for any surviving provisions of this Agreement, the parties shall have no further liability nor obligation under this Agreement, except that nothing herein will relieve any party from liability for any willful breach of any provision hereof.

12. Notices

12.1 Any notice, communication, instrument or document required or permitted to be given under this Agreement shall be in writing and may be given by personal delivery, pre-paid mail, or by telecommunication, facsimile or other similar form of communication (in each case with electronic confirmed receipt), addressed as follows:

If to the Buyer:

Peakbirch Commerce Inc.

Suite 400, 837 West Hastings Street
Vancouver, British Columbia
V6C 3N6

Attention: Mo Rahimi
Email : [redacted]

If to the Sellers:

Kiario Brands Inc. / Kiario Digital Inc.

Attention: Jatinder Dhaliwal
Email: [redacted]

c/o MLT Aikins LLP
Suite 2600, 1066 West Hastings Street
Vancouver, British Columbia
V6E 3X1

and such shall be deemed to have been given (i) if effected by personal delivery, or telecommunication, facsimile or other similar form of communication (with electronic confirmed receipt), at the time of delivery or electronic confirmed receipt unless such occurs after the recipient's customary business hours in which case it shall be deemed to have been given on the next business day; and (ii) if effected by mail, on the fourth business day after mailing excluding all days on which postal service is disrupted.

12.2 A party may at any time in the above manner give notice to the other parties of any change of address and after the giving of such notice the address or addresses specified will be the address of such party for the purpose of giving notice hereunder.

13. Anti Sandbagging

13.1 The Buyer acknowledges and agrees that it has had an opportunity to conduct a thorough investigation and due diligence inquiry on the Sellers, the Kiara Vaped Subsidiaries, the Business and the Acquired Assets.

13.2 Notwithstanding anything to the contrary contained in this Agreement, the Buyer agrees and confirms that no representation or warranty of the Sellers in this Agreement or any documents, agreements or certificates delivered by the Sellers pursuant to this Agreement, shall be deemed to be untrue or incorrect, and the Sellers shall not be deemed to be in breach thereof, if the Buyer had knowledge on the Effective Date or the Closing Date, as the case may be, of any such matter (whether disclosed or undisclosed) or that any such representation or warranty is untrue or incorrect.

14. General

14.1 Entire Agreement; Further Assurances; Amendments. This is the entire agreement of the parties concerning the subject matter hereof. The parties shall execute and deliver such other documents and shall do and perform such other acts as may be necessary or desirable to carry out the intent of this Agreement. This Agreement may not be amended, supplemented or otherwise modified except by written instrument duly executed by each of the parties.

14.2 Time of the Essence; Waivers. Time is of the essence in this Agreement and will be calculated in accordance with the provisions of the *Interpretation Act* (British Columbia). No delay on the part of any party in exercising any right hereunder shall operate as a waiver thereof. No waiver of any provision of this Agreement shall be effective unless in writing signed by the party against whom the waiver is sought to be enforced. No waiver of any provision hereof shall constitute a waiver of any other provision hereof or constitute a waiver of a continuing or subsequent breach unless such is expressly provided for.

14.3 Severability and Limitation. The invalidity or unenforceability of any provision hereof shall not affect the validity or enforceability of the remaining provisions hereof. The courts shall have the power to modify this Agreement to limit the application of any offensive provision to the maximum extent permitted by law and otherwise consistent with the intent of the parties herein.

14.4 Assignment and Enurement. This Agreement and any rights herein or hereto shall not be assigned or otherwise transferred by any party without the express written consent of the other party. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

14.5 Governing Law. This Agreement shall be construed in accordance with and governed by the laws of British Columbia and the laws of Canada applicable therein. The parties agree to attorn and submit to the jurisdiction of the courts of British Columbia in respect of any dispute arising from this Agreement.

14.6 Counterparts and Delivery. This Agreement may be executed and delivered in two or more counterparts and by facsimile or other means of electronic transmission, and any such counterparts and facsimile signatures shall be taken together and deemed to form one and the same and an originally executed instrument. Notwithstanding the date of execution or delivery, this Agreement shall be effective and binding upon the parties hereto as of the date first above written.

[remainder of page left intentionally blank]

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

PEAKBIRCH COMMERCE INC.

Per: “*Mohsen Rahimi*”
Authorized Signatory

KIARO BRANDS INC.

Per: “*Jatinder Dhaliwal*”
Authorized Signatory

KIARO DIGITAL INC.

Per: “*Jatinder Dhaliwal*”
Authorized Signatory

Schedule “A”

Acquired Assets

The Domains

All of the issued and outstanding shares of Kiaro Vaped, being 100 common shares.

All of the issued and outstanding shares of Kiaro Australia, being 100 ordinary shares.

Schedule "B"

Purchase Price Allocation

[Redacted]

Schedule "C"

Employees, Independent Contractors and Compensation

[Redacted]