

## SHARE PURCHASE AGREEMENT

**THIS SHARE PURCHASE AGREEMENT** is made effective the 31<sup>st</sup> day of July, 2018.

### **BETWEEN:**

**SPROUTLY CANADA, INC.,**  
a corporation existing under the laws of British Columbia  
(hereinafter referred to as the “**Purchaser**”)

- and -

**INFUSION BIOSCIENCES CANADA INC.**  
a company existing under the laws of the Canada  
(hereinafter referred to as “**Infusion Canada**”)

- and -

**INFUSION BIOSCIENCES INC.**  
a company existing under the laws of the Canada  
(hereinafter referred to as the “**Shareholder**”)

**WHEREAS** on the terms and subject to the conditions herein set forth, the Purchaser desires to purchase from the Shareholder and the Shareholder wishes to sell to the Purchaser 100 common shares of Infusion Canada (the “**Purchased Shares**”), representing 100% of the issued and outstanding shares of Infusion Canada.

**NOW THEREFORE THIS AGREEMENT WITNESSES** that in consideration of the premises and the respective covenants and agreements herein contained, the parties hereto covenant and agree as follows:

### **ARTICLE I INTERPRETATION**

#### **1.01 Definitions**

In this Agreement, unless otherwise defined, capitalized words and terms shall have the following meanings:

- (a) “**Agreement**” means this share purchase agreement as the same may be supplemented or amended from time to time;
- (b) “**Analytical Results**” has the meaning set forth in Section 2.02(e);
- (c) “**APP Technology**” means the proprietary process, processing reagents, and ingredients developed and owned by the Shareholder related to the recovery of natural plant chemicals, in their water soluble and free oil forms, from cannabis and hemp plants;
- (d) “**Books and Records**” means all technical, business and financial records, financial books and records of account, books, data, reports, files, lists, drawings, plans, logs, briefs,

customer and supplier lists, deeds, certificates, contracts, surveys, title opinions or any other documentation and information in any form whatsoever (including written, printed, electronic or computer printout form) relating to a corporation and its business;

- (e) **“Business Day”** means a day which is not a Saturday, Sunday or a statutory holiday in the Province of British Columbia;
- (f) **“Cash Consideration”** has the meaning set forth in Section 2.02(b);
- (g) **“Claim”** has the meaning set forth in Section 7.05;
- (h) **“Closing”** means the completion of the Transaction in accordance with the terms and conditions of this Agreement;
- (i) **“Closing Date”** means the date of Closing, which shall be the fifth Business Day following the satisfaction or waiver of all conditions to the obligations of the parties to consummate the Transaction (other than conditions that are satisfied with respect to actions the respective parties will take at the Closing itself), or such other date as the parties may mutually determine;
- (j) **“Common Shares”** means common shares in the capital of the Purchaser;
- (k) **“Contracts”** means all written or oral outstanding contracts and agreements, leases (including any real property leases), third-party licenses, insurance policies, deeds, indentures, instruments, entitlements, commitments, undertakings and orders made by or to which a party is bound or under which a party has, or will have, any rights or obligations and includes rights to use, franchises, license and sub-licenses agreements and agreements for the purchase and sale of assets or shares;
- (l) **“Corporate Records”** means the corporate records of a corporation, including (i) its articles, by-laws or other constating documents, any unanimous shareholders agreement and any amendments thereto; (ii) all minutes of meetings and resolutions of shareholders, directors and any committee thereof; (iii) the share certificate books, register of shareholders, register of transfers and registers of directors and officers; and (iv) all accounting records;
- (m) **“Deposit”** means ██████████ paid to the Shareholder by the Purchaser prior to the date hereof;
- (n) **“Direct Claim”** has the meaning set forth in Section 7.05;
- (o) **“Disclosure Documents”** means the documents made available by Infusion Canada to the Purchaser via an online ‘drop-box’ or otherwise provided by Shareholder or Infusion Canada to the Purchaser in writing;
- (p) **“Disclosed”** means, in the case of the Shareholder and Infusion Canada, fairly disclosed (with sufficient details to identify the nature and scope of the matter disclosed) in or under the Disclosure Letter, and, in the case of the Purchaser, fairly disclosed in writing to Infusion Canada and Shareholder prior to the date of this Agreement (with sufficient details to identify the nature and scope of the matter disclosed);
- (q) **“Earn Out Milestone”** has the meaning set forth in Section 2.02(e);

- (r) “**Earn Out Shares**” has the meaning set forth in Section 2.02(e);
- (s) “**Encumbrance**” means any lien (statutory or otherwise), pledge, mortgage, deed of trust, security interest, charge, option, pre-emptive right, right of first offer or refusal, put or call right, lease, license, title retention agreement, easement, covenant, condition, restriction, servitude, transfer restriction or any other encumbrance;
- (t) “**Field**” has the meaning set forth in the Infusion Canada Assets;
- (u) “**Fundamental Changes**” has the meaning set forth in Section 2.02(f);
- (v) “**Governmental Authority**” means any (a) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, court, tribunal, commission, board or agency, domestic or foreign, or (b) regulatory authority, securities commission or stock exchange, including the CSE;
- (w) “**IFRS**” means the International Financial Reporting Standards approved by the International Accounting Standards Board, or any successor thereto, applicable as at the date on which a calculation is made or required to be made;
- (x) “**Indemnified Party**” has the meaning set forth in Section 7.05;
- (y) “**Indemnifying Party**” has the meaning set forth in Section 7.05;
- (z) “**Infusion Canada Assets**” means the technology license and use agreement dated April 20, 2018 between Infusion Canada, as licensee, and the Shareholder, as licensor, a copy of which is attached hereto as Schedule A;
- (aa) “**Infusion Canada Material Contracts**” has the meaning set forth in Section 5.03(o);
- (bb) “**Initial Cash Payment**” has the meaning set forth in Section 2.02(c);
- (cc) “**Laws**” means all statutes, codes, ordinances, decrees, rules, regulations, municipal by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, or any provisions of the foregoing, including general principles of common and civil law and equity, binding on or affecting the person referred to in the context in which such word is used; and “**law**” means any one of them;
- (dd) “**Licensed Technology**” has the meaning set forth in the Infusion Canada Assets;
- (ee) “**Material Adverse Effect**” means (i) any change, effect, fact, circumstance or event which, individually or when taken together with any other changes, effects, facts, circumstances or events, could reasonably be expected to be materially adverse to the assets, liabilities, condition (financial or otherwise), business, properties or results of operation of the Purchaser or Infusion Canada, as applicable, or (ii) a material impairment of or delay in the ability of the parties (or any one of them) to perform their obligations hereunder or consummate the Transaction;
- (ff) “**Material Contract**” means any Contract to which a person is a party and which is material to such person, including any Contract: (i) the termination of which would have a Material Adverse Effect on such person; (ii) any contract which would result in payments

to or from such person or its subsidiaries (if any) in excess of \$50,000, whether payable in one payment or in successive payments; (iii) any agreement or commitment relating to the borrowing of money or to capital expenditures; and (iv) any agreement or commitment not entered into in the ordinary course of business;

- (gg) “**Material fact**” shall have the meaning ascribed to it in the *Securities Act* (British Columbia);
- (hh) “**Misrepresentation**” shall have the meaning ascribed to it in the *Securities Act* (British Columbia);
- (ii) “**Novus**” has the meaning set forth in Section 5.02(i);
- (jj) “**Payment Shares**” has the meaning set forth in Section 2.02(d);
- (kk) “**Person**” includes an individual, sole proprietorship, partnership, limited partnership, unincorporated association or organization, unincorporated syndicate, body corporate, trust, trustee, executor, administrator, legal representative of the Crown or any agency or instrumentality thereof;
- (ll) “**Principal**” means Keith Dolo, Chief Executive Officer of the Purchaser, or such other assignee of the Shareholder Trade Secret as set forth in section 6.01(c);
- (mm) “**Public Record**” means the information relating to the Purchaser contained in all press releases, material change reports, financial statements and related management’s discussion and analysis, information circulars and all other documents of the Purchaser which have been filed on the System for Electronic Document Analysis and Retrieval (SEDAR);
- (nn) “**Purchased Shares**” has the meaning set forth in the recitals to this Agreement;
- (oo) “**Purchaser Financial Statements**” has the meaning set forth in Section 5.01(j);
- (pp) “**Lock-Up Agreement**” means a lock-up agreement in the form attached as Schedule D;
- (qq) “**Shareholder IP**” means all technology and intellectual property that is licensed to the Infusion Canada pursuant to the Infusion Canada Assets;
- (rr) “**Tax Act**” means the *Income Tax Act* (Canada), as amended from time to time;
- (ss) “**Termination Date**” means July 31, 2018, or such later date as may be agreed in writing between the Purchaser and Shareholder, provided that if the only outstanding condition to Closing is CSE or other regulatory approval (or conditions that are to be satisfied with respect to actions the respective parties will take at the Closing itself), then either the Purchaser or the Shareholder shall have the right to extend the Termination Date up to 60 days;
- (tt) “**Territory**” has the meaning set forth in the Infusion Canada Assets;
- (uu) “**Third Party**” has the meaning set forth in Section 7.08(d);
- (vv) “**Third Party Claim**” has the meaning set forth in Section 7.05;

- (ww) “**Time of Closing**” means 9:00 a.m. (Vancouver time) on the Closing Date, or such other time as the parties may mutually determine;
- (xx) “**Total Consideration**” has the meaning set forth in Section 2.02(a);
- (yy) “**Transaction**” means the purchase and sale of the Purchased Shares in accordance with the terms of this Agreement; and
- (zz) “**Triggering Event**” means the occurrence of any of the following events:
- (i) the death or incapacitation due to disability of a Principal;
  - (ii) proceedings or other acts or actions through which the Principal may be adjudicated bankrupt or insolvent, or granted relief or protection under any law relating to bankruptcy, insolvency, liquidation, reorganization, moratorium or relief of debtors, including under the *Companies’ Creditors Arrangement Act* (Canada) and the *Bankruptcy and Insolvency Act* (Canada), or other similar laws applicable to the Principal; or
  - (iii) the termination of the Principal’s employment with the Company for any reason;
- (aaa) “**CSE**” means the Canadian Securities Exchange.

## **1.02 Currency**

All sums of money which are referred to in this Agreement are expressed in lawful money of Canada (\$) unless otherwise specified.

## **1.03 Interpretation Not Affected by Headings, etc.**

The division of this Agreement into articles, sections and other portions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. Unless otherwise indicated, any reference in this Agreement to an Article, Section or a Schedule or Exhibit refers to the specified Article or Section of, or Schedule or Exhibit to this Agreement.

## **1.04 Number, etc.**

Unless the subject matter or context requires the contrary, words importing the singular number only shall include the plural and vice versa; words importing the use of any gender shall include all genders and words importing persons shall include natural persons, firms, trusts, partnerships and corporations.

## **1.05 Date for Any Action**

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

## **1.06 Statutory References**

Any reference in this Agreement to a statute includes all regulations and rules made thereunder, all amendments to such statute in force from time to time and any statute, regulation or rule that supplements or supersedes such statute, regulation or rule.

## 1.07 Knowledge

- (a) Any reference herein to “the knowledge of the Purchaser” (or similar expressions) will be deemed to mean the actual knowledge of any of the executive officers of the Purchaser, together with the knowledge such persons would have had if they had conducted a diligent inquiry into the relevant subject matter.
- (b) Any reference herein to “the knowledge of Infusion Canada”, or “the knowledge of Shareholder”, (or similar expressions) will be deemed to mean the actual knowledge of Shareholder or any of the executive officers of Infusion Canada, together with the knowledge such persons would have had if they had conducted a diligent inquiry into the relevant subject matter.

## ARTICLE II PURCHASE AND SALE OF PURCHASED SHARES

### 2.01 Purchase and Sale

Subject to the terms and conditions hereof, Shareholder covenants and agrees to sell, assign and transfer to the Purchaser and the Purchaser covenants and agrees to purchase from Shareholder the Purchased Shares.

### 2.02 Purchase Price for the Purchased Shares

- (a) Total Consideration. The total consideration to be paid by the Purchaser for the Purchased Shares, on a fully diluted basis as of the Closing, is equal to the sum of the Deposit, the Cash Consideration, the Payment Shares and any Earn-Out Shares that may become payable pursuant hereto (such sum, the “**Total Consideration**”).
- (b) Deposit. Shareholder acknowledges receipt of the Deposit.
- (c) Cash Consideration. Purchaser shall pay Shareholder an aggregate amount of CAD\$4,525,000 as follows (the “**Cash Consideration**”):

CAD\$4,525,000 (the “**Initial Cash Payment**”) from any cash proceeds received by the Purchaser equal to or greater than [REDACTED], on or after the date hereof. For greater certainty, cash proceeds received by the Purchaser shall include the total of any cash received by the Purchaser, by way of debt or equity financing (in a single financing or cumulative). In the event that the Purchaser raises less than [REDACTED] of financing, the Initial Cash Payment shall be equal to [REDACTED] of the financing raised up to a maximum of \$4,525,000. In the event of an exercise of warrants that are outstanding as of the date of this Agreement that results in gross proceeds of more than [REDACTED], an Initial Cash Payment of [REDACTED] shall be payable to the Shareholder; and

In the event that after 12 months after the date hereof, there is a balance of the Cash Consideration that is still owed to Shareholder, Shareholder shall have the right to convert any outstanding amounts into common shares of the Purchaser at the lesser of:

- (i) [REDACTED] discount to the 10 day volume weighted average trading price of such shares on the stock exchange on which such shares are traded determined immediately prior to the 12 month anniversary of the date hereof; and

- (ii) █████ per share (as adjusted for Fundamental Changes in accordance with Section 2.02(f)).
- (d) Payment Shares. At the Closing, the Purchaser shall issue to the Shareholder 36,857,676 fully paid common shares of the Purchaser (as adjusted for Fundamental Changes in accordance with Section 2.02(f)) (the “**Payment Shares**”).
- (e) Earn-Out Shares. The Shareholder shall receive 14,743,070 common shares of the Purchaser (as adjusted for Fundamental Changes in accordance with Section 2.02(f)) (the “**Earn Out Shares**”) upon the Purchaser receiving results of analysis of cannabinoids on water soluble and oil preparations derived with APP Technology, which results encompass analytical data that meet the regulatory requirement for commercial sale of products in a jurisdiction (the “**Analytical Results**”), said data to be derived by analyzing water soluble and oil preparations from a single strain of cannabis used to produce commercial products in Canada (the “**Earn Out Milestone**”).

If the Earn Out Milestone is not achieved within the date that is three (3) years from Closing, the Purchaser will not be obligated to issue the Earn Out Shares.
- (f) Adjustments. Upon the occurrence of one or more events involving the capital reorganization, reclassification, subdivision or consolidation of the common shares of the Purchaser, or the merger, amalgamation or other corporate combination of the common shares of the Purchaser with one or more other entities, or of any other events in which new securities of any nature are delivered in exchange for the issued common shares of the Purchaser and such issued common shares of the Purchaser are cancelled (“**Fundamental Changes**”), then in the event of any issue of common shares to the Purchaser pursuant to this Agreement after such Fundamental Changes, and in lieu of issuing the common shares which, but for such Fundamental Changes and this provision, would have been issued upon such exercise, the Purchaser or its successor shall issue instead such number of new securities as would have been delivered as a result of the Fundamental Changes in exchange for those common shares which the Vendor would have been entitled to receive upon such securities issue if such common share issue had occurred prior to the occurrence of the Fundamental Changes.
- (g) Regulatory Approval and Escrow. Any shares of the Purchaser issuable to the Shareholder hereunder will be subject to the same escrow provisions as shares held by management of the Purchaser and shall be subject to the approval of the Canadian Securities Exchange and the Shareholder agrees to enter into a Lock-Up Agreement in connection with the issuance of all such shares.
- (h) Purchaser Payment of Cash Consideration. From the proceeds of any financing contemplated by Section 2.02(c), the Purchaser shall deliver, or cause to be delivered, by wire transfer or other means of immediately available funds, the Cash Consideration into the account designated by the Shareholder in writing no later than two (2) Business Days prior to the Closing Date, in trust for the Shareholder, the amount of cash payable to the Shareholder pursuant to Section 2.02(c).

### 2.03 Withholding

Each of the Purchaser and Infusion Canada (and their respective successors) shall be entitled to deduct and withhold from any amounts payable under this Agreement to the Shareholder such amount as the Purchaser or Infusion Canada is required to deduct and withhold under applicable tax laws, or pursuant

to other applicable judgments, decrees, injunctions or orders, with respect to the making of such payment. To the extent that amounts are so withheld by the Purchaser and timely paid over to the proper Governmental Authority, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Shareholder hereunder.

#### **2.04 Netting of Payment Obligations at the Closing**

Notwithstanding anything herein to the contrary, if, as of immediately prior to the Closing, the Shareholder has any outstanding indebtedness for borrowed money to Infusion Canada, the Purchaser and Infusion Canada may (in their sole discretion) deduct the amount of such outstanding indebtedness of the Shareholder from the amount(s) otherwise payable hereunder by the Purchaser or Infusion Canada, as the case may be, to the Shareholder. Notwithstanding any such netting of payments, the Shareholder shall remain liable to Infusion Canada and its subsidiaries for any amount of indebtedness owed to Infusion Canada or its subsidiaries in excess of the amount (if any) that is actually so netted.

#### **2.05 Option to Purchase**

- (a) Subject to the terms and conditions hereof and subject to Closing, Shareholder gives and grants to the Purchaser the option to subscribe for shares in the Shareholder's subsidiary to be incorporated in the United States (the "**US Subsidiary**") equaling up to [REDACTED] per cent of the then issued and outstanding shares of the US Subsidiary (the "**US Shares**") (the "**Option**");
- (b) The Shareholder shall grant to the US Subsidiary a technology license and use agreement having substantially the same terms as the Infusion Canada Assets. The Territory of such technology license and use agreement (as such term is defined in the Infusion Canada Assets) shall mean the United States of America;
- (c) The US Shares shall be issued to the Purchaser from treasury and the purchase price for the US Shares shall be equal to the fair market value of the US Shares at the time the Option is exercised by the Purchaser;
- (d) The Option shall be exercised by notice in writing given by the Purchaser to the Shareholder pursuant to the notice provisions herein. Upon receipt by the Shareholder of the Purchaser's written notice of its intent to exercise the Option, the Purchaser and US Subsidiary shall enter into a definitive agreement to transact the purchase of the US Shares upon the herein terms;
- (e) The Option shall wholly terminate upon the earlier of: (i) the date which is twenty four (24) months from the Closing Date hereof; (ii) the date on which the US Subsidiary enters into a going public transaction or series of transactions resulting in its shares being traded on any stock exchange; and (iii) the date on which the Shareholder or US Subsidiary enters into a letter of intent for the sale of all or a portion of the shares of the US Subsidiary. In the event that the Purchaser has not exercised the Option prior to the earlier of such dates, the Option shall be null and void and of no force and effect;
- (f) The Option shall not be assignable by the Purchaser unless expressly agreed to in writing by the Shareholder; and



- (g) Until such time as the Purchaser has exercised the Option and duly purchased and paid for the US Shares, the Purchaser shall have no rights whatsoever as a shareholder in respect of any of the US Shares (including any right to receive dividends or other distributions therefrom or thereon).

### **ARTICLE III CONDITIONS OF CLOSING**

#### **3.01 Conditions of Closing in Favour of the Purchaser**

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

- (a) the Shareholder and Infusion Canada shall have tendered all closing deliveries set forth in Sections 4.03 including delivery of the Purchased Shares, duly endorsed in blank for transfer or accompanied by duly executed stock transfer powers;
- (b) the Transaction shall have been approved by the CSE and the Payment Shares shall have been approved for listing on the CSE;
- (c) all consents, waivers, permits, orders and approvals of all Governmental Authorities or other persons necessary to permit the completion of the Transaction shall have been obtained;
- (d) Infusion Canada shall have no outstanding liabilities, shareholder loans or other third party loans at the Time of Closing;
- (e) neither of Infusion Canada or the Shareholder shall have violated the exclusivity granted to the Purchaser under Article VIII;
- (f) the representations and warranties of Infusion Canada and the Shareholder set forth in this Agreement shall have been true and correct as of the date hereof and shall be true and correct at the Time of Closing in all respects (in the case of any representation or warranty containing any materiality or Material Adverse Effect qualifier) or in all material respects (in the case of any representation or warranty without any materiality or Material Adverse Effect qualifier), except as affected by the transactions contemplated by this Agreement, and a certificate of a senior officer of Infusion Canada to this effect shall have been delivered to the Purchaser;
- (g) all of the terms, covenants and conditions of this Agreement to be complied with or performed by Infusion Canada or the Shareholder at or before the Time of Closing will have been complied with or performed and a certificate of a senior officer of Infusion Canada to this effect shall have been delivered to the Purchaser;
- (h) there shall not have been after the date of this Agreement any Material Adverse Effect with respect to Infusion Canada or the Infusion Canada Assets;
- (i) Infusion Canada shall not have any outstanding options, warrants or other securities convertible into shares of Infusion Canada;

- (j) there shall be no action taken under any applicable law by any court or Governmental Authority that makes it illegal or restrains, enjoins or prohibits the Transaction, results in a judgment or assessment of damages relating to the Transaction that is materially adverse to the Purchaser or Infusion Canada or that could reasonably be expected to impose any condition or restriction upon the Purchaser or Infusion Canada which, after giving effect to the Transaction, would so materially and adversely impact the economic or business benefits of the Transaction as to render inadvisable the consummation of the Transaction;
- (k) there shall be no law enacted, introduced or tabled which, in the opinion of the Purchaser, acting reasonably, adversely affects or may adversely affect the Transaction; and
- (l) completion of the Transaction shall have occurred on or before the Termination Date.

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

### **3.02 Conditions of Closing in Favour of Infusion Canada and the Shareholder**

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

- (a) the Purchaser shall have tendered all closing deliveries set forth in Section 4.02 including delivery of the Payment Shares;
- (b) the Transaction shall have been approved by the CSE and the Payment Shares shall have been approved for listing on the CSE;
- (c) all resolutions of the board of directors of the Purchaser approving the addition of Arup Sen to the Purchaser's board of directors;
- (d) Purchaser shall grant 2,000,000 stock options to Arup Sen and 800,000 stock options to Paul Marcellino. All stock options shall have a term of 10 years and an exercise price equal to the closing stock price on the date of Closing.
- (e) Purchaser and BNO Holdings Inc. shall have entered into a definitive agreement concerning the purchase of all of the issued and outstanding shares of SSM Partners by the Purchaser;
- (f) all consents, waivers, permits, orders and approvals of all Governmental Authorities or other persons necessary to permit the completion of the Transaction shall have been obtained;
- (g) the representations and warranties of the Purchaser set forth in this Agreement shall have been true and correct as of the date hereof and shall be true and correct at the Time of Closing in all respects (in the case of any representation or warranty containing any materiality or Material Adverse Effect qualifier) or in all material respects (in the case of any representation or warranty without any materiality or Material Adverse Effect qualifier), except as affected by the transactions contemplated by this Agreement, and a certificate of a senior officer of the Purchaser to this effect shall have been delivered to the Shareholder and Infusion Canada;

- (h) all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Purchaser at or before the Time of Closing will have been complied with or performed and a certificate of a senior officer of the Purchaser to this effect shall have been delivered to the Shareholder and Infusion Canada;
- (i) there shall not have been after the date of this Agreement any Material Adverse Effect with respect to the Purchaser;
- (j) there shall be no action taken under any applicable law by any court or Governmental Authority that makes it illegal or restrains, enjoins or prohibits the Transaction, results in a judgment or assessment of damages relating to the Transaction that is materially adverse to the Purchaser or the Infusion Canada or that could reasonably be expected to impose any condition or restriction upon the Purchaser or the Infusion Canada which, after giving effect to the Transaction, would so materially and adversely impact the economic or business benefits of the Transaction as to render inadvisable the consummation of the Transaction;
- (k) there shall be no law enacted, introduced or tabled which, in the opinion of any of the Infusion Canada or the Shareholders, acting reasonably, adversely affects or may adversely affect the Transaction; and
- (l) completion of the Transaction shall have occurred on or before the Termination Date.

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

### **3.03 Notice and Cure Provisions**

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

- (a) cause any of the representations or warranties of any party contained herein to be untrue or inaccurate on the date hereof or at the Closing Date; or
- (b) result in the failure by any party to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by such party hereunder prior to the Closing Date.

Subject to Article VII, no party may elect not to complete the Transaction as contemplated herein as a result of the non-fulfillment of the conditions precedent contained in Sections 3.01 or 3.02, as applicable, unless the party intending to rely thereon has delivered a written notice to the other parties hereto prior to the Time of Closing specifying, in reasonable detail, all breaches of representations and warranties or covenants or other matters which the party delivering such notice is asserting as the basis for the non-fulfillment of the applicable condition precedent.

**ARTICLE IV  
CLOSING ARRANGEMENTS**

**4.01 Time and Place of Closing**

Closing of the Transaction shall take place at the Time of Closing at the offices of DuMoulin Black LLP, 1000-595 Howe St., Vancouver, BC, V6C 2T5.

**4.02 Closing Deliveries of the Purchaser**

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

- (a) evidence that the Payment Shares have been issued to the Shareholder and subject to the terms of the Lock-Up Agreement;
- (b) a certificate of one of the Purchaser's senior officers, dated as of the Closing Date, certifying: (i) that attached thereto are true and complete copies of the constating documents of the Purchaser (and all amendments thereto as in effect as on such date); (ii) all resolutions of the board of directors of the Purchaser approving the entering into of this Agreement and all ancillary agreements contemplated herein and the completion of the Transaction, including the issuance of the Payment Shares, and (iii) as to the incumbency and genuineness of the signature of each officer of Purchaser executing this Agreement or any of the other agreements or documents contemplated hereby;
- (c) confidentiality agreement between Infusion Canada and the Shareholder regarding the APP Technology and the Infusion Canada Assets duly executed by Infusion Canada, in a form acceptable to the Shareholder, acting reasonably;
- (d) the officer's certificates referred to in Sections 3.02(g) and 3.02(h);
- (e) evidence of the approval of the CSE for the completion of the Transaction; and
- (f) a certificate of status for the Purchaser.

**4.03 Closing Deliveries of Infusion Canada and the Shareholder**

At the Time of Closing, Infusion Canada and the Shareholder will deliver or cause to be delivered:

- (a) share certificate(s) evidencing the Purchased Shares, duly endorsed in blank for transfer or accompanied by duly executed stock transfer powers;
- (b) a certified copy of the register of members of Infusion Canada showing the Purchaser as the holder of the Purchased Shares;
- (c) the Lock-Up Agreement duly executed by the Shareholder;
- (d) a certificate of one of Infusion Canada's senior officers, dated as of the Closing Date, certifying: (i) that attached thereto are true and complete copies of the constating documents of Infusion Canada (and all amendments thereto as in effect as on such date); (ii) all resolutions of the board of directors of Infusion Canada approving the entering into of this Agreement and the completion of the Transaction; and (iii) as to the incumbency

and genuineness of the signature of each officer of Infusion Canada executing this Agreement or any of the other agreements or documents contemplated hereby;

- (e) the minute books of Infusion Canada and all Books and Records of Infusion Canada;
- (f) a resignation effective as at the Closing from each director and officer of Infusion Canada;
- (g) releases in favour of Infusion Canada from each resigning director and officer of Infusion Canada;
- (h) the officers' certificates referred to in Sections 3.01(f) and 3.01(g); and
- (i) a certificate of status for Infusion Canada.

## **ARTICLE V REPRESENTATIONS AND WARRANTIES**

### **5.01 Representations and Warranties of the Purchaser**

Save as Disclosed, the Purchaser represents and warrants to and in favour of each of the Shareholder and Infusion Canada as follows and acknowledges that such parties are relying upon such representations and warranties in connection with the transactions contemplated herein:

- (a) the Purchaser is a corporation validly existing and in good standing under the laws of the Province of British Columbia and is duly registered, licensed or qualified to carry on business as an extra-provincial or foreign corporation under the laws of the jurisdictions in which the nature of its business makes such registration, licensing or qualification necessary;
- (b) the Purchaser has the corporate power and capacity to enter into this Agreement and each additional agreement or instrument to be delivered pursuant to this Agreement, to perform its obligations hereunder and thereunder, to own and lease its property, and to carry on its businesses as now being conducted;
- (c) this Agreement has been, and each additional agreement or instrument to be delivered pursuant to this Agreement will be prior to the Time of Closing, duly authorized, executed and delivered by the Purchaser and each is, or will be at the Time of Closing, a legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms;
- (d) the execution and delivery of this Agreement does not, and the consummation of the Transaction will not, (i) result in a breach or violation of the constating documents of the Purchaser or of any resolutions of the directors or shareholders of the Purchaser, (ii) conflict with, result in a breach of, constitute a default under or accelerate the performance required by or result in the suspension, cancellation, material alteration or creation of an Encumbrance upon any material agreement, licence or permit to which the Purchaser is a party or by which the Purchaser is bound or to which any material assets or property of the Purchaser is subject, or (iii) violate any provision of any law applicable to the Purchaser;

- (e) the authorized capital of the Purchaser consists of an unlimited number of Common Shares, of which, as of the date hereof, 123,939,954 Common Shares are issued and outstanding as fully paid and non-assessable;
- (f) when issued in accordance with the terms hereof, the Payment Shares will be validly issued as fully paid and non-assessable Common Shares;
- (g) the only outstanding securities of the Purchaser convertible, exchangeable or exercisable into Common Shares, are approximately (i) 10,402,811 options to acquire up to 10,402,811 Common Shares, and approximately (ii) 13,807,128 common share purchase warrants to acquire up to 13,807,128 Common Shares;
- (h) except as disclosed in the Public Record no person has any agreement, option, right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, including convertible securities, options, warrants or convertible obligations of any nature, for the purchase, subscription, allotment or issuance of any unissued shares or other securities of the Purchaser;
- (i) the Purchaser is in compliance with its timely and continuous disclosure obligations under the securities laws of the Provinces of British Columbia and Alberta and the policies of the CSE and, without limiting the generality of the foregoing, there has not occurred any “material change” (as defined under applicable securities legislation of the Provinces of British Columbia and Alberta) which has not been publicly disclosed on a non-confidential basis and, except as may have been corrected by subsequent disclosure, all the statements set forth in the Public Record were true, correct, and complete in all material respects and did not contain any misrepresentation as of the date of such statements and the Purchaser has not filed any confidential material change reports since the date of such statements which remains confidential as at the date hereof;
- (j) the most recent financial statements of the Purchaser disclosed in the Public Record (the “**Purchaser Financial Statements**”) have been prepared in accordance with IFRS applied on a basis consistent with prior periods. The Purchaser Financial Statements are true, correct and complete and present fairly the assets, liabilities (whether accrued, absolute, contingent or otherwise) and financial condition of the Purchaser as at the respective dates thereof and results of operations of the Purchaser for the respective periods then ended. Since May 31, 2018, there has been no material alteration in the manner of keeping the books, accounts or records of the Purchaser or in its accounting policies or practices;
- (k) since May 31, 2018, there has been no material adverse change in the condition (financial or otherwise), assets, liabilities, operations, earnings or business of the Purchaser;
- (l) the Purchaser has conducted and is conducting its business in compliance in all material respects with all applicable laws, regulations, by-laws, ordinances, regulations, rules, judgments, decrees and orders of each jurisdiction in which its business is carried on;
- (m) there are no waivers, consents, notices or approvals required to be given or obtained by the Purchaser in connection with Transaction contemplated by this Agreement under any Contract to which the Purchaser is a party;
- (n) no consent, approval, order or authorization of, or registration or declaration with, any applicable Governmental Authority with jurisdiction over the Purchaser is required to be obtained by the Purchaser in connection with the execution and delivery of this Agreement

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

- (o) except as Disclosed, there is no suit, action or proceeding or, to the knowledge of the Purchaser, pending or threatened against the Purchaser that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect on the Purchaser, and there is no judgment, decree, injunction, rule or order of any Governmental Authority with jurisdiction over the Purchaser outstanding against the Purchaser causing, or which could reasonably be expected to cause, a Material Adverse Effect on the Purchaser;
- (p) the Purchaser has not been notified by any Governmental Authority of any investigation with respect to it that is pending or threatened, nor has any Governmental Authority notified the Purchaser of such Governmental Authority's intention to commence or to conduct any investigation, that could be reasonably likely to have a Material Adverse Effect on the Purchaser;
- (q) the Corporate Records of the Purchaser are complete and accurate in all material respects and all corporate proceedings and actions reflected therein have been conducted or taken in compliance with all applicable laws and with the constating documents of the Purchaser, and without limiting the generality of the foregoing: (i) the minute books contain complete and accurate minutes of all meetings of the directors and shareholders of the Purchaser; (ii) the minute books contain all written resolutions passed by the directors and shareholders of the Purchaser; (iii) the share certificate books, register of shareholders and register of transfers of the Purchaser are complete and accurate, and all such transfers have been duly completed and approved; and (iv) the registers of directors and officers are complete and accurate and all former and present directors and officers of the Purchaser were duly elected or appointed as the case may be;
- (r) all Books and Records of the Purchaser have been fully, properly and accurately kept and, where required, completed in accordance with IFRS, and there are no material inaccuracies or discrepancies of any kind contained or reflected therein;
- (s) the Purchaser has not authorized any person to act as broker or finder or in any other similar capacity in connection with the transactions contemplated by this Agreement that in any manner may or will impose liability on Infusion Canada or the Shareholder; and
- (t) to the knowledge of the Purchaser, no representation or warranty of the Purchaser contained in this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading.

## **5.02 Representations and Warranties Relating to the Shareholder**

Save as Disclosed, the Shareholder represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying on such representations and warranties in connection with the transactions contemplated herein:

- (a) the Shareholder is a corporation validly existing and in good standing under the laws of Canada;
- (b) the Shareholder has all necessary capacity and authority to enter into this Agreement and each additional agreement or instrument to be delivered pursuant to this Agreement, and to perform its obligations hereunder and thereunder, including the power and capacity to own, hold, sell and transfer the Purchased Shares;
- (c) this Agreement has been, and each additional agreement or instrument required to be delivered pursuant to this Agreement will be prior to the Time of Closing, duly authorized, executed and delivered by Shareholder and each is, or will be at the Time of Closing, a legal, valid and binding obligation of Shareholder, enforceable against Shareholder in accordance with its terms;
- (d) the execution and delivery of this Agreement does not, and the consummation of the Transaction will not, (i) result in a breach or violation of the constating documents of the Shareholder or of any resolutions of the directors or shareholders of the Shareholder, (ii) conflict with, result in a breach of, constitute a default under or accelerate the performance required by or result in the suspension, cancellation, material alteration or creation of an Encumbrance upon any material Contract, licence or permit to which the Shareholder is a party or by which the Shareholder is bound or to which any material assets or property of the Shareholder is subject, (iii) result in the creation of an Encumbrance on any of the Purchased Shares (other than Encumbrances for taxes not yet due and payable), (iv) give any party to any Contract to which the Shareholder is a party or otherwise bound the right to revoke, renegotiate, withdraw, suspend, cancel, terminate or modify such Contract, or (v) violate any provision of any law applicable to the Shareholder;
- (e) the Shareholder is the registered and beneficial owner of 100 common shares of Infusion Canada (such shares comprising the Purchased Shares), representing 100% of the issued and outstanding shares of Infusion Canada, free and clear of all Encumbrances of any nature whatsoever;
- (f) except for the Purchaser's rights hereunder, no person has any agreement or option or any right or privilege capable of becoming an agreement for the purchase of the Purchased Shares and none of such shares are subject to any voting trust, shareholders agreement, voting agreement or other agreement with respect to the disposition or enjoyment of any rights of such shares;
- (g) no consent, approval, order or authorization of, or registration or declaration with, any applicable Governmental Authority with jurisdiction over Shareholder is required to be obtained by Shareholder in connection with the execution and delivery of this Agreement or the consummation of the Transaction, except for those consents, orders, authorizations, declarations, registrations or approvals which are contemplated by this Agreement or those consents, orders, authorizations, declarations, registrations or approvals that, if not obtained, would not prevent or materially delay the consummation of the Transaction or otherwise prevent Shareholder from performing its obligations under this Agreement;
- (h) the Shareholder is not an insolvent person within the meaning of any applicable laws and has not made an assignment in favour of creditors or a proposal in bankruptcy to creditors or any class thereof, and no petition for a receiving order has been presented in respect of it. The Shareholder has not initiated proceedings with respect to a compromise or arrangement with creditors;



- (i) the Shareholder has engaged Novus Merchant Partners Inc. (“**Novus**”) as its exclusive financing advisor relating to this transaction. Outside of Novus, the Shareholder has not authorized any person to act as broker or finder or in any other similar capacity in connection with the transactions contemplated by this Agreement that in any manner may or will impose liability on the Purchaser. The Shareholder shall be responsible for all amounts payable to Novus in connection with Novus’ advisory services to Shareholder;
- (j) there is no suit, action or proceeding or, to the knowledge of the Shareholder, pending or threatened against the Shareholder that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect on the Shareholder, and there is no judgment, decree, injunction, rule or order of any Governmental Authority with jurisdiction over the Shareholder outstanding against the Shareholder causing, or which could reasonably be expected to cause, a Material Adverse Effect on the Shareholder;
- (k) the Shareholder owns all Shareholder IP and will make available after Closing upon execution of the Principal Restriction Agreement as defined in 6.01(b) to the Purchaser, complete and accurate copies of all registration certificates, issued or granted patents, applications, file histories, agreements and other material documents related to the Shareholder IP;
- (l) except for the licensee rights granted to Infusion Canada through the Infusion Canada Assets, the Shareholder has not granted, and is not party to any agreement under which it will grant, to any person any right or interest in or to the Shareholder IP which conflict with the rights granted under the Infusion Canada Assets;
- (m) each item of Shareholder IP that is registered is valid, enforceable, unexpired, subsisting and has not been abandoned;
- (n) to the Shareholder’s knowledge, no person has infringed, misappropriated, or otherwise violated, and no person is currently infringing, misappropriating, or otherwise violating, any Shareholder IP;
- (o) the Shareholder is not and will not be at Closing, a non-resident of Canada for the purposes of the Tax Act;
- (p) no Purchased Share at the time of Closing will be “taxable Canadian property” as defined in the Tax Act; and
- (q) to the knowledge of Shareholder, no representation or warranty of Shareholder contained in this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading.

### **5.03 Representations and Warranties Relating to Infusion Canada**

Infusion Canada and the Shareholder jointly and severally represent and warrant to the Purchaser as follows and acknowledge that the Purchaser is relying on such representations and warranties in connection with the transactions contemplated herein:

- (a) Infusion Canada is a corporation validly existing and in good standing under the laws of its jurisdiction of incorporation and is duly registered, licensed or qualified to carry on business as an extra-provincial or foreign corporation under the laws of the jurisdictions in

which it currently conducts business where the nature of its business makes such registration, licensing or qualification necessary;

- (b) Schedule B attached hereto and forming a part hereof contains a complete and correct list of each jurisdiction in which the Company is qualified or licensed to do business;
- (c) Infusion Canada has provided to the Purchaser a complete and correct copy of its constating and governing documents and such constating and governing documents shall, at the Time of Closing, be in full force and effect without any material amendments thereto;
- (d) Infusion Canada has the corporate power and capacity to enter into this Agreement and each additional agreement or instrument to be delivered pursuant to this Agreement, to perform its obligations hereunder and thereunder, to own and lease its property, and to carry on its businesses as now being conducted;
- (e) this Agreement has been, and each additional agreement or instrument to be delivered pursuant to this Agreement will be prior to the Time of Closing, duly authorized, executed and delivered by Infusion Canada and is, or will be at the Time of Closing, a legal, valid and binding obligation of Infusion Canada, enforceable against Infusion Canada in accordance with its terms;
- (f) the execution and delivery of this Agreement does not, and the consummation of the Transaction will not, (i) result in a breach or violation of the articles or by-laws of Infusion Canada or of any resolutions of the directors or shareholders of Infusion Canada, (ii) conflict with, result in a breach of, constitute a default under or accelerate the performance required by or result in the suspension, cancellation, material alteration or creation of an encumbrance upon any material Contract (including any Infusion Canada Material Contract), license or permit to which Infusion Canada is a party or by which Infusion Canada is bound or to which any material assets or property of Infusion Canada is subject, (iii) give any party to any Contract to which Infusion Canada is a party or otherwise bound the right to revoke, renegotiate, withdraw, suspend, cancel, terminate or modify such Contract, or (iii) violate any provision of any law applicable to Infusion Canada;
- (g) the authorized share capital of Infusion Canada consists of an unlimited number of common shares without nominal or par value and an unlimited number of preferred shares of which, as of the date hereof, 100 common shares (which comprise the Purchased Shares) are issued and outstanding as fully paid and non-assessable. The Shareholder is the sole shareholder of Infusion Canada;
- (h) no person, other than pursuant to this Agreement, has any agreement, option, right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, including convertible securities, options, warrants or convertible obligations of any nature, for the purchase, subscription, allotment or issuance of any unissued shares or other securities of Infusion Canada;
- (i) except as previously Disclosed to the Purchaser, Infusion Canada does not own or have any agreements of any nature to acquire, directly or indirectly, any shares in the capital of or other equity or proprietary interests in any person, and Infusion Canada does not have any agreement to acquire or lease any material assets or properties or any other business operations;

- (j) except as disclosed, there are no related-party transactions or off-balance sheet structures or transactions with respect to Infusion Canada;
- (k) at and following the Time of Closing, except as Disclosed, no amounts will be payable and Infusion Canada will have no liabilities or contingent liabilities;
- (l) except as Disclosed, Infusion Canada is not a party to, or bound by, any agreement of guarantee, indemnification, assumption or endorsement or any like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other person;
- (m) Infusion Canada has not made any distribution by way of dividend, distribution of property or assets, return of capital or otherwise to or for the benefit of its shareholders other than as Disclosed to Purchaser;
- (n) there has been no material adverse change in the condition (financial or otherwise), assets, liabilities, operations, earnings or business of Infusion Canada;
- (o) the Infusion Canada Assets constitute all the Material Contracts of Infusion Canada (the “**Infusion Canada Material Contracts**”). Each of the Infusion Canada Material Contracts is in full force and effect, unamended, and there exists no default, warranty claim or other obligation or liability or event, occurrence, condition or act (including the purchase and sale of the Purchased Shares hereunder) which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a default, or give rise to a warranty claim or other obligation or liability thereunder. Infusion Canada has not violated or breached, in any material respect, any of the terms or conditions of any Infusion Canada Material Contract and all the covenants to be performed by any other party thereto have been fully and properly performed;
- (p) there are no waivers, consents, notices or approvals required to be given or obtained by Infusion Canada in connection with the Transaction contemplated by this Agreement under any Contract to which either is a party;
- (q) no consent, approval, order or authorization of, or registration or declaration with, any applicable Governmental Authority with jurisdiction over Infusion Canada is required to be obtained by Infusion Canada in connection with the execution and delivery of this Agreement or the consummation of the Transaction, except for those consents, orders, authorizations, declarations, registrations or approvals which are contemplated by this Agreement or those consents, orders, authorizations, declarations, registrations or approvals that, if not obtained, would not prevent or materially delay the consummation of the Transaction or otherwise prevent Infusion Canada from performing its obligations under this Agreement and could not reasonably be expected to have a Material Adverse Effect on Infusion Canada;
- (r) there is no suit, action or proceeding or, to the knowledge of the Shareholder, pending or threatened against Infusion Canada that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect on Infusion Canada, and there is no judgment, decree, injunction, rule or order of any Governmental Authority with jurisdiction over Infusion Canada outstanding against Infusion Canada causing, or which could reasonably be expected to cause, a Material Adverse Effect on Infusion Canada;
- (s) Infusion Canada has good and marketable title to its properties and assets (other than property or an asset as to which it is a lessee, in which case it has a valid leasehold interest),

except for such defects in title that individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect on Infusion Canada, and such properties and assets are all the property and assets used by Infusion Canada for the operation of its business as currently conducted and as presently proposed to be conducted as of the Closing Date;

- (t) to Infusion Canada's knowledge, the Infusion Canada Assets include the intellectual property rights needed to conduct its business as set forth in the Infusion Canada Assets and as presently proposed to be conducted as of the Closing Date;
- (u) no person has any written or oral agreement, option, understanding or commitment, or any right or privilege capable of becoming an agreement, option, understanding or commitment for the purchase from Infusion Canada of any of its assets or property (including the Infusion Canada Assets);
- (v) Schedule C attached hereto and forming a part hereof sets forth, a complete list of, all permits, licenses, certificates of authority, orders and approvals of Infusion Canada, and they have made all filings, applications and registrations with, applicable Governmental Authorities that are required in order to permit it to carry on their businesses as presently conducted, except for such permits, licenses, certificates, orders, filings, applications and registrations, the failure to have or make, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect on Infusion Canada, and all such permits, licenses, certificates of authority, orders and approvals are in good standing in all material respects and Infusion Canada has no reason to expect that such permits, licenses, certificates of authority, orders and approvals may be suspended, revoked, subject to a material change in applicable condition or not renewed upon expiration;
- (w) Infusion Canada has not been required to file any tax returns as of the date hereof and adequate provision has been made for taxes payable for the current period for which tax returns are not yet required to be filed. There are no actions, suits, or claims asserted or assessed against Infusion Canada in respect of taxes, governmental charges or assessments, nor are any matters under discussion with any Governmental Authority relating to taxes, governmental charges or assessments asserted by such Governmental Authority. Infusion Canada has withheld from each payment made by it to any person and remitted to the proper tax and other receiving offices within the time required all income tax and other deductions required to be withheld from such payments;
- (x) Infusion Canada has not been notified by any Governmental Authority of any investigation with respect to it that is pending or threatened, nor has any Governmental Authority notified Infusion Canada of such Governmental Authority's intention to commence or to conduct any investigation that could be reasonably likely to have a Material Adverse Effect on Infusion Canada;
- (y) Infusion Canada has not requested, entered into any agreement or other arrangement, or executed any waiver providing for, any extension of time within which:
  - (i) to file any tax return;
  - (ii) to file any elections, designations or similar filings relating to taxes;
  - (iii) it is required to pay or remit any taxes or amounts on account of taxes; or

- (iv) any tax authority may assess or collect taxes;
- (z) Infusion Canada has not entered into any agreement with, or provided any undertaking to, any person pursuant to which it has assumed liability for the payment of taxes owing by such person;
- (aa) Infusion Canada is not and will not be at Closing, a non-resident of Canada for the purposes of the Tax Act. Infusion Canada has never been required to file any tax return with, and has never been liable to pay any taxes to, any tax authority outside Canada;
- (bb) Infusion Canada has no employees and are not parties to any employment, management or consulting agreement of any kind whatsoever;
- (cc) the Corporate Records of Infusion Canada are complete and accurate in all material respects and all corporate proceedings and actions reflected therein have been conducted or taken in compliance with all applicable laws and with the constating documents of Infusion Canada, and without limiting the generality of the foregoing: (i) the minute books contain complete and accurate minutes of all meetings of the directors and shareholders of Infusion Canada; (ii) the minute books contain all written resolutions passed by the directors and shareholders of Infusion Canada; (iii) the share certificate books, register of shareholders and register of transfers of Infusion Canada are complete and accurate, and all such transfers have been duly completed and approved; and (iv) the registers of directors and officers are complete and accurate and all former and present directors and officers of Infusion Canada were duly elected or appointed as the case may be.
- (dd) all Books and Records of Infusion Canada have been fully, properly and accurately kept and, where required, completed in accordance with generally accepted accounting principles, and there are no material inaccuracies or discrepancies of any kind contained or reflected therein;
- (ee) Infusion Canada has conducted and is conducting the business in compliance, in all material respects, with all applicable privacy laws, including in connection with its collection, use and disclosure of personal information. Infusion Canada has not received any written complaint or notice of any breach or violation by it of any such privacy laws;
- (ff) Infusion Canada has not authorized any person to act as broker or finder or in any other similar capacity in connection with the transactions contemplated by this Agreement, that in any manner may or will impose liability on the Purchaser;
- (gg) Infusion Canada has no bank or savings accounts, certificates of deposit or safe deposit boxes;
- (hh) to the knowledge of Infusion Canada and the Shareholder, no representation or warranty of Infusion Canada contained in this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading.

#### **5.04 Survival of Representations and Warranties**

The representations and warranties contained in this Agreement or any document or certificate given pursuant hereto shall survive the Closing of the Transaction until the date that is three years from the date of Closing. No claim for breach of any representation, warranty or covenant shall be valid unless that

party against whom such claim is made has been given notice thereof before the expiry of such three year period.

Notwithstanding the foregoing, the representations and warranties contained in Section 5.03(w) of this Agreement hereto shall survive the Closing of the Transaction for as long as the relevant governmental authority (including but not limited to the Canada Revenue Agency) can assess or reassess the Purchaser in respect of the purchase of the Purchased Shares.

## **ARTICLE VI COVENANTS**

### **6.01 Mutual Covenants**

Each of the parties hereby covenants and agrees as follows:

- (a) Shareholder shall reasonably cooperate with Purchaser in establishing the capabilities for Purchaser to practice APP Technology in the Territory in the Field to develop and sell Products (as said terms are defined in the Infusion Canada Assets). In connection herewith, Shareholder shall disclose trade secrets it holds that is related to the formulation, production, and practice of methods embodied in the APP Technology (the “**Shareholder Trade Secret**”);
- (b) Purchaser agrees and understands that any disclosure of information embodied in Shareholder Trade Secret by Purchaser that would enable a Person to duplicate or modify APP Technology will result in irreparable damage to Shareholder’s business and also compromise the value of consideration paid by Purchaser to Shareholder. Accordingly, subject to section 6.01(c), Purchaser agrees to hold Shareholder Trade Secret information and any derivatives thereof developed by Purchaser in strictest confidence with Principal, [REDACTED] The Principal agrees to enter into an agreement with Purchaser and Shareholder that will set forth penalties and recovery by Shareholder that may arise from unauthorized disclosure of information referred to hereunder (the “Principal Restriction Agreement”);
- (c) Purchaser will give notice in writing to the Shareholder promptly following the occurrence of a Triggering Event (the “**Trigger Notice**”). Upon delivery of the Trigger Notice to the Shareholder, the Trade Secret Information held by the Principal in accordance with section 6.01(b) shall automatically be passed, with the consent of the Shareholder, acting reasonably, to an assignee of the board of directors of the Purchaser, which will be subject to the same level of confidentiality set forth in section 6.01(b);
- (d) in the event of a grant of sublicense by Purchaser permitted upon specific conditions set forth in the Infusion Canada Assets, Purchaser agrees to not disclose Shareholder Trade Secret or any information developed therefrom to a sub-licensee. Unless otherwise agreed upon, Purchaser agrees to cooperate with Shareholder to effect a means by which a sub-licensee referred to in the preceding sentence will be able to practice under such a sub-license;
- (e) to use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to any of the parties’ obligations hereunder which are reasonably under its control and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under applicable laws and

regulations to complete the Transaction in accordance with the terms of this Agreement. Without limiting the generality of the foregoing, in the event that any person, including without limitation, any securities regulatory authority, seeks to prevent, delay or hinder implementation of all or any portion of the Transaction or seeks to invalidate all or any portion of this Agreement, each of the parties shall use commercially reasonable efforts to resist such proceedings and to lift or rescind any injunction or restraining order or other order or action seeking to stop or otherwise adversely affecting the ability of the parties to complete the Transaction;

- (f) to use commercially reasonable efforts to obtain, before the Time of Closing, all authorizations, waivers, exemptions, consents, orders and other approvals from domestic or foreign courts, Governmental Authorities, shareholders and third parties as are necessary for the consummation of the Transactions contemplated herein;
- (g) to use commercially reasonable efforts to defend or cause to be defended any lawsuits or other legal proceedings brought against it challenging this Agreement or the completion of the Transaction. No party will settle or compromise any claim brought against them in connection with the transactions contemplated by this Agreement prior to the Closing Date without the prior written consent of each of the others, such consent not to be unreasonably withheld or delayed;
- (h) to promptly notify each of the other parties if any representation or warranty made by it in this Agreement ceases to be true and correct in all respects (in the case of any representation or warranty containing any materiality or Material Adverse Effect qualifier) or in all material respects (in the case of any representation or warranty without any materiality or Material Adverse Effect qualifier) and of any failure to comply in any material respect with any of its obligations under this Agreement;
- (i) to co-operate with each of the other parties hereto in good faith in order to ensure the timely completion of the Transaction; and
- (j) to use commercially reasonable efforts to co-operate with each of the other parties hereto in connection with the performance by the other of its obligations under this Agreement.

## **6.02 Covenants of the Purchaser**

The Purchaser covenants and agrees with Infusion Canada and the Shareholder that, until the earlier of the Closing Date and the date upon which this Agreement is terminated in accordance with Article VII, it will:

- (a) in a timely and expeditious manner:
  - (i) file and/or deliver any document or documents as may be required in order for the Transaction as contemplated herein to be effective; and
  - (ii) file or deliver any document or documents required pursuant to applicable laws and/or the rules and policies of the CSE in connection with the Transaction as contemplated herein after the Closing;
- (b) make application to the CSE and diligently pursue the approval of the Transaction and the listing of the Payment Shares on the CSE;

- (c) except for non-substantive communications, furnish promptly to Infusion Canada (on behalf of the Shareholder) a copy of each notice, report, schedule or other document or communication delivered, filed or received by the Purchaser in connection with or related to the Transaction, any filings under applicable laws and any dealings with any Governmental Authority in connection with or in any way affecting the Transaction as contemplated herein;
- (d) use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to any of the parties' obligations set forth in this Agreement to the extent the same are within its control and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under all applicable laws to complete the Transaction as contemplated herein, including using commercially reasonable efforts to:
  - (i) obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, leases, licenses, agreements and other Contracts, as applicable;
  - (ii) effect all necessary registrations and filings and submissions of information requested by any Governmental Authority required to be effected by it in connection with the Transaction and participate and appear in any proceedings of either the Purchaser or Infusion Canada before any Governmental Authority to the extent permitted by such authorities; and
  - (iii) fulfil all conditions and satisfy all provisions of this Agreement and the Transaction;
- (e) subject to applicable laws, not take any action, refrain from taking any action, or permit any action to be taken or not taken inconsistent with this Agreement or which would reasonably be expected to significantly impede the consummation of the Transaction;
- (f) take all necessary corporate action and proceedings to approve and authorize the issuance of the Payment Shares to the Shareholders;
- (g) prepare and file with all applicable securities commissions such notifications and fees necessary to permit, or that are required in connection with, the issuance of the Payment Shares to the Shareholders on a basis exempt from the prospectus and registration requirements of the applicable securities laws of British Columbia; and
- (h) use its commercially reasonable efforts to maintain its status as a "reporting issuer" (as defined under applicable securities laws), not in default of the securities laws of the Provinces of British Columbia and Alberta.

### **6.03 Covenants of Infusion Canada**

Infusion Canada covenants and agrees with the Purchaser that, until the earlier of the Closing Date and the date upon which this Agreement is terminated in accordance with Article VII, it will:

- (a) make available and afford the Purchaser and its authorized representatives and, if requested by the Purchaser, provide a copy of all title documents, Contracts, minute books, share certificate books, share registers, plans, reports, licenses, orders, permits, books of account, accounting records, constating documents and all other documents, information and data



relating to it. Infusion Canada will afford the Purchaser and its authorized representatives every reasonable opportunity to have free and unrestricted access to Infusion Canada's property, assets, undertaking, records and documents. At the request of Purchaser, Infusion Canada will execute or cause to be executed such consents, authorizations and directions as may be necessary to permit any inspection of Infusion Canada's business and any of its property or to enable Purchaser or its authorized representatives to obtain full access to all files and records relating to any of the assets of Infusion Canada maintained by governmental or other public authorities. The exercise of any rights of inspection by or on behalf of Purchaser under this Section 6.03(a) will not mitigate or otherwise affect the representations and warranties of Infusion Canada hereunder;

- (b) except for non-substantive communications, furnish promptly to the Purchaser a copy of each notice, report, schedule or other document or communication delivered, filed or received by Infusion Canada in connection with or related to the Transaction, any filings under applicable laws and any dealings with any Governmental Authority in connection with or in any way affecting the Transaction as contemplated herein;
- (c) use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to any of the parties' obligations set forth in this Agreement to the extent the same are within its control and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under all applicable laws to complete the Transaction, including using commercially reasonable efforts to:
  - (i) obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, leases, licenses, agreements and other Contracts;
  - (ii) effect all necessary registrations and filings and submissions of information requested by any Governmental Authority required to be effected by it in connection with the Transaction and participate and appear in any proceedings of either Infusion Canada or the Purchaser before any Governmental Authority to the extent permitted by such authorities; and
  - (iii) fulfil all conditions and satisfy all provisions of this Agreement and the Transaction;
- (d) subject to applicable laws, not take any action, refrain from taking any action, or permit any action to be taken or not taken inconsistent with this Agreement or which would reasonably be expected to significantly impede the consummation of the Transaction;
- (e) conduct and operate its business and affairs only in the ordinary course consistent with past practice and use commercially reasonable efforts to preserve its business organization, goodwill and material business relationships with other persons and, for greater certainty, it will not enter into any material transaction out of the ordinary course of business consistent with past practice without the prior consent of the Purchaser, and Infusion Canada will keep the Purchaser fully informed as to the material decisions or actions required or required to be made with respect to the operation of its business, provided that such disclosure is not otherwise prohibited by reason of a confidentiality obligation owed to a third party for which a waiver could not be obtained;

- (f) except as may be necessary or desirable in order to effect the Transaction as contemplated hereunder, not alter or amend its articles or by-laws as the same exist at the date of this Agreement;
- (g) not merge into or with, or amalgamate or consolidate with, or enter into any other corporate reorganization or arrangement with, or transfer its undertaking or assets as an entirety or substantially as an entirety to, any other person or perform any act which would render inaccurate in any material way any of its representations and warranties set forth herein as if such representations and warranties were made at a date subsequent to such act and all references to the date of this Agreement were deemed to be such later date, except as contemplated in this Agreement, and without limiting the generality of the foregoing, it will not:
  - (i) make any distribution by way of dividend, distribution of property or assets, return of capital or otherwise to or for the benefit of its shareholders;
  - (ii) increase or decrease its paid-up capital or purchase or redeem any shares; or
  - (iii) issue or enter into any commitment to issue any of its shares or securities convertible into, or rights, warrants or options to acquire any such shares;
- (h) not make any material changes in financial or tax accounting methods, principles or practices (or change an annual accounting period), except insofar as may be required by a change in applicable law;
- (i) take all necessary corporate action and proceedings to approve and authorize the valid and effective transfer of the Purchased Shares to the Purchaser.

#### **6.04 Covenants of the Shareholder**

The Shareholder covenants and agrees with the Purchaser, until the earlier of the Closing Date and the date upon which this Agreement is terminated in accordance with Article VII, it will:

- (a) except for non-substantive communications, furnish promptly to the Purchaser a copy of each notice, report, schedule or other document or communication delivered, filed or received by the Shareholder in connection with or related to the Transaction, any filings under applicable laws and any dealings with any Governmental Authority in connection with or in any way affecting, the Transaction as contemplated herein;
- (b) use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to any of the parties' obligations set forth in this Agreement to the extent the same are within its control and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable laws to complete the Transaction, including using commercially reasonable efforts to:
  - (i) obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, leases, licenses, agreements and other Contracts;
  - (ii) effect all necessary registrations and filings and submissions of information requested by any Governmental Authority required to be effected by it in connection with the Transaction; and

- (iii) fulfil all conditions and satisfy all provisions of this Agreement and the Transaction;
- (c) subject to applicable laws, not take any action, refrain from taking any action, or permit any action to be taken or not taken, inconsistent with this Agreement or which would reasonably be expected to significantly impede the consummation of the Transaction;
- (d) not encumber in any manner the Purchased Shares and ensure that at the Time of Closing the Purchased Shares are free and clear of all Encumbrances; and
- (e) Shareholder will cause Infusion Canada to perform and comply with all of the terms, covenants and conditions of this Agreement to be complied with or performed by such parties at or before the Time of Closing.

The Shareholder covenants and agrees with the Purchaser that following the Closing Date, it will, at the Purchaser's cost, assist and cooperate with Infusion Canada in the preparation of any financial or tax related statements or forms of Infusion Canada covering periods prior to the Closing Date that are required to be filed by the Purchaser pursuant to applicable laws. The Shareholder acknowledges that the Purchaser may be required to file with securities regulatory authorities a business acquisition report that includes financial statements of Infusion Canada within 120 days of the Closing Date.

## **ARTICLE VII TERMINATION**

### **7.01 Termination**

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

- (a) by mutual written consent of all the parties hereto;
- (b) by any of Infusion Canada, the Shareholder or the Purchaser if the Closing shall not have been consummated on or prior to the Termination Date, without liability to the terminating party on account of such termination; provided that the right to terminate this Agreement pursuant to this Section 7.01(b) shall not be available to a party whose breach or violation of any representation, warranty, covenant, obligation or agreement under this Agreement has been the cause of or has resulted in the failure of the Closing to occur on or before such date;
- (c) by the Purchaser, if there has been a material breach by any of Infusion Canada's or the Shareholder's representation, warranty, covenant or agreement set forth in this Agreement or any of the documents contemplated hereby which breach would result in the failure to satisfy one or more of the conditions set forth in Section 3.01 which any of Infusion Canada or the Shareholder, as applicable, fails to cure within ten (10) Business Days after written notice thereof is given by the Purchaser;
- (d) by either of Infusion Canada or the Shareholder, if there has been a material breach by the Purchaser of any representation, warranty, covenant or agreement set forth in this Agreement or any of the documents contemplated hereby which breach would result in the failure to satisfy one or more of the conditions set forth in Section 3.02 which the Purchaser fails to cure within ten (10) Business Days after written notice thereof is given by either of Infusion Canada or the Shareholder, as applicable;

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

## **7.02 Effect of Termination**

Upon termination of this Agreement in accordance with the terms hereof, the parties hereto shall have no further obligations under this Agreement, other than the obligations contained in Sections 9.02 and 9.07 which shall continue notwithstanding such termination; provided that neither the termination of this Agreement nor anything contained in this Section 7.2 shall relieve any party from any liability for any breach by it of this Agreement, including from any inaccuracy in its representations and warranties and any non-performance by it of its covenants and agreements made herein.

## **INDEMNIFICATION**

### **7.03 Indemnification by the Purchaser**

Subject to Section 5.04, the Purchaser shall indemnify and save Infusion Canada and the Shareholder harmless for and from:

- (a) any loss, damages or deficiencies suffered by Infusion Canada or the Shareholder as a result of any breach of representation, warranty or covenant on the part of the Purchaser contained in this Agreement or in any certificate or document delivered pursuant to or contemplated by this Agreement; and
- (b) all claims, demands, costs and expenses, including legal fees, in respect of the foregoing.

### **7.04 Indemnification by the Shareholder**

Subject to Section 5.04, the Shareholder shall indemnify and save the Purchaser harmless for and from:

- (a) any loss, damages or deficiencies suffered by the Purchaser as a result of any breach of representation, warranty or covenant on the part of the Shareholder contained in this Agreement or in any certificate or document delivered pursuant to or contemplated by this Agreement; and
- (b) all claims, demands, costs and expenses, including legal fees, in respect of the foregoing.

### **7.05 Notice of Claim**

A party entitled to and seeking indemnification pursuant to the terms of this Agreement (the "**Indemnified Party**") shall promptly give written notice to the party or parties, as applicable, responsible for indemnifying the Indemnified Party (the "**Indemnifying Party**") of any claim for indemnification pursuant to Sections 7.03 or 7.04 (a "**Claim**", which term shall include more than one Claim). Such notice shall specify whether the Claim arises as a result of a claim by a person against the Indemnified Party (a "**Third Party Claim**") or whether the Claim does not so arise (a "**Direct Claim**"), and shall also specify with reasonable particularity (to the extent that the information is available):

- (a) the factual basis for the Claim; and

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

#### **7.06 Effect of Investigation or Knowledge**

Subject to the provisions of this Section 7.06, any Claim by an Indemnified Party shall not be adversely affected by any investigation by or opportunity to investigate afforded to the Indemnified Party, nor shall such a Claim be adversely affected by the Indemnified Party's knowledge on or before the Closing Date of any breach of the type specified in Section 7.03 or 7.04, or of any state of facts that may give rise to such a breach. The waiver of any condition based on the accuracy of any representation or warranty, or on the performance of or compliance with any covenant or obligation, will not adversely affect the right to indemnification and payment.

#### **7.07 Procedure for Indemnification**

- (a) Direct Claims. With respect to Direct Claims, following receipt of notice from the Indemnified Party of a Claim, the Indemnifying Party shall have 30 days to make such investigation of the Claim as the Indemnifying Party considers necessary or desirable. For the purpose of such investigation, the Indemnified Party shall make available to the Indemnifying party the information relied upon by the Indemnified Party to substantiate the Claim. If the Indemnified Party and the Indemnifying Party agree at or prior to the expiration of such 30 day period (or any mutually agreed upon extension thereof) to the validity and amount of such Claim, the Indemnifying Party shall immediately pay to the Indemnified Party the full agreed upon amount of the Claim.
- (b) Third Party Claims. With respect to any Third Party Claim, the Indemnifying Party shall have the right, at its own expense, to participate in or assume control of the negotiation, settlement or defence of such Third Party Claim and, in such event, the Indemnifying Party shall reimburse the Indemnified Party for all the Indemnified Party's out-of-pocket expenses incurred as a result of such participation or assumption. If the Indemnifying Party elects to assume such control, the Indemnified Party shall cooperate with the Indemnifying Party, shall have the right to participate in the negotiation, settlement or defence of such Third Party Claim at its own expense and shall have the right to disagree on reasonable grounds with the selection and retention of counsel, in which case counsel satisfactory to the Indemnifying Party and the Indemnified Party shall be retained by the Indemnifying Party. If the Indemnifying Party, having elected to assume such control, thereafter fails to defend any such Third Party Claim within a reasonable time, the Indemnified Party shall be entitled to assume such control and the Indemnifying Party shall be bound by the results obtained by the Indemnified Party with respect to such Third Party Claim.

#### **7.08 General Indemnification Rules**

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

- (a) any Claim arising as a result of a breach of a representation or warranty shall be made not later than the date on which, pursuant to Section 5.04 such representation and warranty terminated;
- (b) the Indemnifying Party's obligation to indemnify the Indemnified Party shall only apply to the extent that the Claims in respect of which the Indemnifying Party has given an indemnity, in the aggregate, exceed \$10,000;

- (c) to the extent permitted by applicable law, the parties shall treat payments under the indemnification provisions of Article VII as an adjustment to the Total Consideration;
- (d) if any Third Party Claim is of a nature such that the Indemnified Party is required by applicable law to make a payment to any person (a “**Third Party**”) with respect to such Third Party Claim before the completion of settlement negotiations or related legal proceedings, the Indemnified Party may make such payment and the Indemnifying Party shall, forthwith after demand by the Indemnified Party, reimburse the Indemnified Party for any such payment. If the amount of any liability of the Indemnified Party under the Third Party Claim in respect of which such a payment was made, as finally determined, is less than the amount which was paid by the Indemnifying Party to the Indemnified Party, the Indemnified Party shall, forthwith after receipt of the difference from the Third Party, pay the amount of such difference to the Indemnifying Party;
- (e) except in the circumstance contemplated by Section 7.08(f), and whether or not the Indemnifying Party assumes control of the negotiation, settlement or defence of any Third Party Claim, the Indemnified Party shall not negotiate, settle, compromise or pay any Third Party Claim except with the prior written consent of the Indemnifying Party (which consent shall not be unreasonably withheld);
- (f) the Indemnified Party shall not permit any right of appeal in respect of any Third Party Claim to terminate without giving the Indemnifying Party notice and an opportunity to contest such Third Party Claim;
- (g) the Indemnified Party and the Indemnifying Party shall cooperate fully with each other with respect to Third Party Claims and shall keep each other fully advised with respect thereto (including supplying copies of all relevant documentation promptly as it becomes available); and
- (h) the provisions of this Article VII shall constitute the sole remedy available to a party against another party with respect to any and all breaches of any agreement, covenant, representation or warranty made by such other party in this Agreement.

## **ARTICLE VIII**

### **EXCLUSIVITY, NON-SOLICITATION AND NON-COMPETITION**

#### **8.01 Exclusivity**

Prior to the Termination Date, neither Infusion Canada nor the Shareholder shall, directly or indirectly, negotiate or deal with any party other than with the Purchaser relating to the sale or disposition of any part of the Purchased Shares or Infusion Canada Assets, or solicit enquiries or provide information with respect to same.

#### **8.02 Non-Solicitation of Employees and Customers**

No party shall, for a period of 12 months from the date of this Agreement, (except with the prior written consent of the other party) directly or indirectly solicit or entice away, or attempt to solicit or entice away:

- (a) from the employment or engagement of that party, any employee or consultant of the other party; or

- (b) any customer of the other party.

A party shall not be in breach of this Section 8.02 as a result of running a national advertising campaign open to all comers and not specifically targeted at any of the staff or the customers of the other party.

### **8.03 Non-Competition**

- (a) Except as otherwise provided in Section 8.03(b), the Shareholder shall not in any manner whatsoever for a period of 24 months from the date of this Agreement, anywhere in the Territory either individually or in partnership or jointly or in conjunction with any other person: directly or indirectly carry on, engage in, provide services to, support or assist (as principal, beneficiary, director, equity holder, partner, nominee, executor, trustee, agent, servant, employee, consultant, independent contractor, supplier, lender, guarantor, financier or in any other capacity whatsoever) the creation or commercialization of an alternative to or competing technology to the Licensed Technology in the Field.
- (b) Notwithstanding any provisions or restrictions contained in this Section, nothing shall prohibit or restrict the Shareholder, or its, his or her controlled affiliates, from owning as a passive investment less than two percent (2%) in the aggregate of the publicly traded voting securities of any entity which develops, markets, licenses, sells, distributes or otherwise provides or offers, or, to the Shareholder's knowledge, is developing or planning to develop, products or services that are competitive with or substantially similar to the products or services to be developed or provided in connection with the Infusion Canada Assets.

## **ARTICLE IX GENERAL**

### **9.01 Notices**

Any notice, consent, waiver, direction or other communication required or permitted to be given under this Agreement (each, a "**notice**") shall be in writing shall be in writing addressed as follows:

- (a) if to the Purchaser:

Sproutly Canada, Inc.  
#1050 — 1095 W. Pender Street  
Vancouver, BC V6E 2M  
Attention: Keith Dolo, Chief Executive Officer  
E-mail: keith.dolo@sproutly.ca

with a courtesy copy (which copy shall not constitute notice to the Purchaser) to:

DuMoulin Black LLP  
1000-595 Howe St  
Vancouver, BC, V6C 2T5  
Attention: Justin Kates  
E-mail: jkates@dumoulinblack.com

(b) if to Infusion Canada or the Shareholder:

Infusion Biosciences Canada Inc.

[REDACTED]

with courtesy copies (which copies shall not constitute notice to Infusion Canada or the Shareholder) to:

Infusion Biosciences Inc.

[REDACTED]

and to:

Nerland Lindsey LLP  
Suite 1400, 350 – 7th Avenue SW  
Calgary, Alberta T2P 3N9  
Attention: Eugene Chen  
E-mail: [echen@nerlandlindsey.com](mailto:echen@nerlandlindsey.com)

Each notice shall be personally delivered to the addressee or sent by e-mail to the addressee and a notice which is personally delivered or sent by email shall, if delivered or sent prior to 4:00 p.m. (local time of the recipient) on a Business Day, be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the next Business Day. Any notice delivered to Infusion Canada in accordance with this Section 9.01 prior to the Time of Closing shall be deemed to have been delivered to the Shareholder.

## **9.02 Confidentiality**

- (a) Prior to Closing and, if the Transaction is not completed, at all times thereafter, each of the parties hereto will keep confidential and refrain from using all information obtained by it in connection with the transactions contemplated by this Agreement relating to any other party hereto, provided however that such obligation shall not apply to any information which was in the public domain at the time of its disclosure to a party or which subsequently comes into the public domain other than as a result of a breach of such party's obligations under this Section 9.02. From and after the Closing, the provisions of this Section shall not apply to or restrict in any manner the Purchaser's use of any confidential information relating to Infusion Canada.
- (b) If this Agreement is terminated, each party shall:
- (i) destroy all confidential information prepared or generated by the other parties in connection with this Agreement, without retaining a copy of any such material;
  - (ii) promptly deliver to the other parties all other confidential information of the other parties, together with all copies thereof, in the control, custody or possession of



such party or, alternatively, with the written consent of the other parties, destroy all such confidential information; and

(iii) certify all such destruction in writing to the other parties.

(c) For greater certainty, nothing contained herein shall prevent any disclosure of information which may be required pursuant to applicable laws or pursuant to an order in judicial or administrative proceedings or any other order made by any Governmental Authority.

### **9.03 Assignment**

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

### **9.04 Binding Effect**

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

### **9.05 Waiver**

No waiver of any provision of this Agreement will constitute a waiver of any other provision, nor will any waiver constitute a continuing waiver unless otherwise expressly provided.

### **9.06 Governing Law**

This Agreement shall be governed by and construed and interpreted in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein and is to be treated in all respects as a British Columbia contract.

### **9.07 Expenses**

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

### **9.08 No Personal Liability**

(a) No director, officer, employee or agent of the Purchaser shall have any personal liability whatsoever to Infusion Canada or the Shareholder under this Agreement or any other document delivered in connection with the Transaction on behalf of the Purchaser.

(b) No director, officer, employee or agent of Infusion Canada or the Shareholder (in such capacity) shall have any personal liability whatsoever to the Purchaser under this Agreement or any other document delivered in connection with the Transaction on behalf of Infusion Canada.

### **9.09 Time of Essence**

Time is of the essence of this Agreement and of each of its provisions.

#### **9.10 Public Announcements**

Each of the parties hereto shall co-operate with the other parties in releasing information concerning this Agreement and the transactions contemplated herein, and shall furnish to and discuss with the other parties hereto drafts of all press and other releases prior to publication. No press release or other public announcement concerning the proposed transactions contemplated by this Agreement will be made by any party hereto without the prior consent of the other parties, such consent not to be unreasonably withheld or delayed; provided that nothing contained herein shall prevent any party hereto at any time from furnishing any information to any Governmental Authority or to the public if so required by applicable law.

#### **9.11 Further Assurances**

Each party will, upon request but without further consideration, from time to time promptly execute and deliver all further documents and take all further action necessary or appropriate to give effect to and perform the provisions and intent of this Agreement and to complete the transactions contemplated herein.

#### **9.12 Entire Agreement**

This Agreement, together with the documents required to be delivered pursuant to this Agreement, constitutes the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations, and discussions, whether oral or written, between the parties hereto with respect to the subject matter hereof including the letter agreement dated May 22, 2018 between the Purchaser and Infusion Canada. There are no representations, warranties, covenants or conditions with respect to the subject matter hereof except as contained in this Agreement and any document delivered pursuant to this Agreement.

#### **9.13 Amendments**

No amendment of any provision of this Agreement will be binding on any party unless consented to in writing by such party.

#### **9.14 Counterparts**

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

#### **9.15 Independent Legal Advice**

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

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

**IN WITNESS WHEREOF** this Agreement has been executed by the parties hereto on the date first above written.

Signed for and on behalf of )  
**SPROUTLY CANADA, INC.** )  
by..... ) s/"Keith Dolo"  
 ) Director/Authorized Signatory  
 )

Signed for and on behalf of )  
**INFUSION BIOSCIENCES CANADA INC.** )  
by Charles Shin, President ) s/"Charles Shin"  
 ) Director/Authorized Signatory  
 )

Signed for and on behalf of )  
**INFUSION BIOSCIENCES INC.** )  
by Arup Sen, President ) s/"Arup Sen"  
 ) Director/Authorized Signatory  
 )