

AGREEMENT AND PLAN OF MERGER

AMONG

**PETRO BASIN ENERGY CORP.
A BRITISH COLUMBIA CORPORATION**

and

**BREATHTEC BIOMEDICAL, INC.
A BRITISH COLUMBIA CORPORATION**

and

**BREATHTEC MERGER CO, INC.
A FLORIDA CORPORATION**

and

**BREATHTEC BIOMEDICAL, INC.
A FLORIDA CORPORATION**

and

**THE SHAREHOLDER OF
BREATHTEC MERGER CO, INC.
A FLORIDA CORPORATION**

September 11, 2015

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SCHEDULE "A" – EXISTING COMPANY SHAREHOLDERS

SCHEDULE "B" – INTELLECTUAL PROPERTY

SCHEDULE "C" – FORM OF VOLUNTARY POOLING AGREEMENT

THIS AGREEMENT AND PLAN OF MERGER is made as of September 11 2015.

AMONG:

PETRO BASIN ENERGY CORP., a company incorporated under the laws of the Province of British Ontario, Canada, and having its registered and records office at Suite 1100-888 Dunsmuir Street, Vancouver, British Columbia, Canada V6C 3K4

(“**Parent Co**”)

OF THE FIRST PART

AND:

BREATHTEC BIOMEDICAL, INC., a company incorporated under the laws of the Province of British Columbia, Canada, and having its registered and records office at 1500-1055 West Georgia Street Vancouver, British Columbia, Canada V6E 4N7

(“**BC Co**”)

OF THE SECOND PART

AND:

FLORIDA MERGER CO, INC., a corporation incorporated under the laws of the State of Florida, USA, and having its registered and records office at 1500-1055 West Georgia Street Vancouver, British Columbia, Canada V6E 4N7

(“**Merger Co**”)

OF THE THIRD PART

AND:

BREATHTEC BIOMEDICAL, INC., a corporation incorporated under the laws of the State of Florida, USA, and having its registered and records office at 10589 Ladner Trunk Rd., Delta BC, Canada V4G 1K2

(“**Company**”)

OF THE FOURTH PART

AND:

THE UNDERSIGNED SHAREHOLDER OF MERGER CO

OF THE FIFTH PART

RECITALS

WHEREAS:

- (A) Parent Co is a “reporting issuer” (as that term is defined by Applicable Securities Law) in the Provinces of British Columbia, Ontario and Alberta;
- (B) BC Co was created as a wholly-owned direct subsidiary of Parent Co;
- (C) Merger Co is a wholly-owned direct subsidiary of BC Co;
- (D) Parent Co and BC Co were parties to an arrangement agreement dated as of June 25, 2015 (the “**Canadian Arrangement Agreement**”);
- (E) Pursuant to the terms of the Canadian Arrangement Agreement, Parent Co has caused BC Co to be spun out to its shareholders in advance of the completion of the Merger (as such term is defined below) in reliance on the prospectus and registration exemptions set forth in section 2.11 of National Instrument 45-106 – *Prospectus and Registration Exemptions*, of the Canadian Securities Administrators (“**NI 45-106**”), and as a result thereof BC Co became a reporting issuer in the Provinces of British Columbia, Ontario and Alberta;
- (F) It is anticipated that the merger transaction contemplated herein will be structured as a ‘reverse-takeover,’ specifically, as a reverse triangular merger under the *Florida Business Corporations Act* (“**FBCA**”), among BC Co, Merger Co and the Company pursuant to which Merger Co will be merged with and into the Company, with the Company as the surviving corporation on terms more particularly set forth herein (the “**Merger**”); and
- (G) The board of directors of each of Parent Co, BC Co, the Company and Merger Co have unanimously determined that the Merger is in the best interest of their respective shareholders, and have resolved to support the Merger and to enter into this Agreement;

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties, the parties covenant and agree as follows:

PART 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

For the purposes of this Agreement, except as otherwise expressly provided herein, the following words and phrases will have the following meanings:

- (a) “**Acquisition**” means the reverse-takeover of the Company by BC Co effected through the Merger;
- (b) “**Affiliate**” has the meaning specified in the BCBCA;
- (c) “**Agreement**” means this Agreement and Plan of Merger and the Schedules attached hereto;
- (d) “**Agreement Date**” means the date of this Agreement;
- (e) “**Applicable Securities Law**” means applicable securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders having the force of law, in force from time to time;
- (f) “**Applicable Florida State Law**” means the FBCA (defined below);
- (g) “**Articles of Incorporation**” means the articles of incorporation of the Company filed with the Secretary of State of the State of Florida on January 22, 2015, as amended.
- (h) “**Articles of Merger**” means the article of merger to be filed with the Secretary of State of the State of Florida pursuant to Section 607.1105 of the FBCA;
- (i) “**Assets**” means the property and assets of the Company, of every kind and description and wheresoever situated;
- (j) “**BCBCA**” means the *Business Corporations Act* (British Columbia);
- (k) “**BC Co**” has the meaning given to the term in the introduction above;
- (l) “**BC Co Assets**” means the property and assets of BC Co, of every kind and description and wheresoever situated;
- (m) “**BC Co Common Shares**” means the Class A common shares in the capital of BC Co;
- (n) “**BC Co Shareholder Consent Materials**” means the resolutions circulated to BC Co Shareholders for unanimous approval, or alternatively such materials approved at a meeting of BC Co Shareholders held in accordance the requirements of the BCBCA should unanimous approval not be obtained, with respect to:
 - (i) the appointment of auditors for BC Co following the Closing,

- (ii) the election of directors of BC Co following the Closing, and
- (iii) the adoption of the Stock Option Plan to be effective following the Closing;
- (o) “**BC Co Shareholders**” means the holders of BC Co Common Shares;
- (p) “**BC Co’s Closing Documents**” means the documents required to be delivered to the Company by BC Co pursuant to §9.3 hereof;
- (q) “**BC Co’s Financial Statements**” means the audited financial statements of BC Co for the period from incorporation until August 31, 2015, prepared in accordance with IFRS;
- (r) “**BC Co Warrants**” means the transferrable common share purchase warrants issuable pursuant to the Private Placement, with each whole warrant entitling the holder thereof to acquire one additional BC Co share (or Resulting Issuer Share, as applicable) at a price of CDN \$0.40 for a period of 24 months from the closing of the Private Placement;
- (s) “**Board of Directors**” means the board of directors of the Company;
- (t) “**Business Day**” means any day, other than a Saturday, Sunday or statutory holiday in the Province of British Columbia, Canada or the State of Florida, USA;
- (u) “**Bylaws**” means the bylaws of the Company adopted on April 15, 2015.
- (v) “**Canadian Arrangement Agreement**” has the meaning given to the term in Recital (D) above;
- (w) “**Certificate of Merger**” means the certificate of merger issued under the FBCA in connection with the completion of the Merger;
- (x) “**Closing**” means the completion of the transactions contemplated herein;
- (y) “**Closing Date**” means the Business Day on which all conditions set forth in Part 9 (other than those conditions that by their nature are to be satisfied or waived at the Closing, but subject to the satisfaction or waiver of those conditions) are satisfied or waived or such other Business Day as the Parties may agree to in writing;
- (z) “**Code**” means the United States Internal Revenue Code of 1986, as amended;
- (aa) “**Company**” has the meaning given to the term in the introduction above;
- (bb) “**Company’s Financial Statements**” means the audited financial statements of the Company for the period from its date of incorporation to August 31, 2015, prepared in accordance with IFRS;

(cc) “**Company Approval**” means the approval of the Merger, and such other ancillary matters related thereto, by the requisite number of Company Shareholders in accordance with Applicable Florida State Law;

(dd) “**Company’s Intellectual Property**” means the Intellectual Property owned, used by or licensed to the Company for the carrying on of the Company’s business in the manner heretofore carried on or as now proposed to be carried on in the Company’s written business documents;

(ee) “**Company Shares**” means the shares of common stock of the Company;

(ff) “**Company Shareholders**” means holders of the Company Shares;

(gg) “**Company Shareholders Consent Action**” has the meaning set forth in §2.4(a);

(hh) “**Contract**” means, with respect to a Person, any contract, instrument, permit, concession, licence, loan or credit agreement, note, bond, mortgage, indenture, lease or other agreement, partnership or joint venture agreement or other legally binding agreement, arrangement or understanding, whether written or oral, to which the Person is a party or by which, to the knowledge of such Person, the Person or its property and assets is bound or affected;

(ii) “**Confidential Information**” means any information concerning the Company or BC Co (the “**Disclosing Party**”) or its business, properties and assets made available to the other party or its representatives (the “**Receiving Party**”); provided that it does not include information that (i) is generally available to or known by the public other than as a result of improper disclosure by the Receiving Party or pursuant to a breach of §11.1 by the Receiving Party, or (ii) is obtained by the Receiving Party from a source other than the Disclosing Party, provided that (to the reasonable knowledge of the Receiving Party) such source was not bound by a duty of confidentiality to the Disclosing Party or another party with respect to such information;

(jj) “**CSE**” means the Canadian Securities Exchange, operated by the CNSX Markets Inc.;

(kk) “**Disclosure Documents**” means (i) the Listing Statement and (ii) the Prospectus;

(ll) “**Effective Date**” means the effective date of the Merger, which shall be the date of filing of the Articles of Merger with the Secretary of State of the State of Florida;

(mm) “**Employee**” means an officer or employee of the Company or a Person providing services in the nature of an employee to the Company;

(nn) “**Existing Company Shareholders**” means the shareholders of the Company as of the Closing Date, which will include the shareholders of the Company as of the date of this Agreement as listed on Schedule A hereto.

(oo) “**FBCA**” has the meaning given to the term in Recital (F).

(pp) “**Final Prospectus**” means the (final) non-offering prospectus of BC Co, prepared in accordance with NI 41-101, relating to the Acquisition and filed with the Principal Regulator solely for the purpose of complying with Notice 2015-003 Regulatory Guidance on Plans of Arrangement and Capital Structure, published by the CSE;

(qq) “**Final Receipt**” means the receipt issued by the Principal Regulator, evidencing that a receipt has been, or has been deemed to be, issued for the Final Prospectus in British Columbia;

(rr) “**Finder Warrants**” means up to 640,000 non-transferrable common share purchase warrants of BC Co issued to eligible finders in connection with the Private Placement, with each Finder Warrant entitling the holder thereof to acquire one BC Co Common Share (or Resulting Issuer Share, as applicable) at a price of CDN \$0.25 per share for a period of 24 months from the closing of the Private Placement.

(ss) “**First Release Date**” means the date that is twelve months after the Effective Date;

(tt) “**Government Agency**” means and includes, without limitation, any national, federal government, province, state, municipality or other political subdivision of any of the foregoing, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing, including the CSE;

(uu) “**Government Official**” means (a) any official, officer, employee, or representative of, or any person acting in an official capacity for or on behalf of, any Government Agency or (b) any company, business, enterprise or other entity owned or controlled by any person described in the foregoing clauses;

(vv) “**IFRS**” means International Financial Reporting Standards;

(ww) “**Intellectual Property**” means registered and unregistered trade-marks and trade-mark applications, trade names, certification marks, distinguishing guises, patents and patent applications, registered and unregistered works subject to copyright, know-how, formulae, processes, inventions, technical expertise, research data, trade secrets, industrial designs and industrial design applications, customer lists and other similar property, and all registrations and applications for registration thereof, each of the foregoing as defined under the applicable Laws;

(xx) “**Laws**” means all laws, statutes, bylaws, rules, regulations, orders, decrees, ordinances, protocols, codes, guidelines, policies, notices, directions and judgments or other requirements of any Government Agency applicable to the Company or BC Co;

(yy) “**Lien**” means any mortgage, encumbrance, charge, pledge, hypothecation, security interest, assignment, lien (statutory or otherwise), charge, title retention agreement or arrangement, restrictive covenant or other encumbrance of any nature or

any other arrangement or condition, which, in substance, secures payment, or performance of an obligation;

(zz) “**Listing Statement**” means the listing statement of BC Co pertaining to the Acquisition and in the form prescribed by the CSE;

(aaa) “**Materially Adverse**” when used in respect of a fact, circumstance, change, effect, occurrence, event or term means a fact, circumstance, change, effect, occurrence, event or term that (a) materially and adversely affects, or would reasonably be expected to materially and adversely affect, the business, assets, liabilities, condition (financial or otherwise) or capital of the Company or BC Co, as the case may be, or (b) prevents, or would reasonably be expected to prevent, the Company or BC Co, as the case may be, from performing its obligations under this Agreement or consummating the transactions contemplated herein; provided, however, that it will not include: (i) any fact, circumstance, event, change, effect, occurrence, event or term relating to the global economy or securities markets in general; or (ii) any fact, circumstance, event, change, effect, occurrence or event affecting the industry in which the Company or BC Co operates in general and which, in each case, does not have a materially disproportionate effect on the Company or BC Co relative to comparable entities operating in the industry in which the Company or BC Co conducts its business;

(bbb) “**Material Adverse Change**” or “**Material Adverse Effect**” with respect to BC Co or the Company, as the case may be, means any change (including a decision to implement such a change made by the board of directors or by senior management who believe that confirmation of the decision by the board of directors is probable), event, violation, inaccuracy, circumstance or effect that is Materially Adverse to the business, assets (including intangible assets), liabilities, capitalization, ownership, financial condition or results of operations of BC Co or the Company, as the case may be, on a consolidated basis;

(ccc) “**Merger**” has the meaning given to the term in Recital (F);

(ddd) “**Merging Companies**” means the Company and Merger Co;

(eee) “**Merger Co**” has the meaning given to the term in the introduction above;

(fff) “**Merger Co Shares**” means all of the outstanding shares of common stock of Merger Co;

(ggg) “**NI 41-101**” means National Instrument 41-101 – *General Prospectus Requirements*, of the Canadian Securities Administrators;

(hhh) “**NI 45-106**” has the meaning given to the term in Recital (E);

(iii) “**Parent Co**” has the meaning given to the term in the introduction above;

(jjj) “**Party**” means each of Parent Co, BC Co, Merger Co and the Company, as the context dictates and “**Parties**” means Parent Co, BC Co, Merger Co and the Company;

(kkk) “**Person**” includes an individual, corporation, partnership, joint venture, trust, unincorporated organization or Government Agency;

(lll) “**Preliminary Prospectus**” means the (preliminary) non-offering prospectus of BC Co, prepared in accordance with NI 41-101, relating to the Acquisition and filed with the Principal Regulator solely for the purpose of complying with Notice 2015-003 Regulatory Guidance on Plans of Arrangement and Capital Structure, published by the CSE;

(mmm) “**Preliminary Receipt**” means the receipt issued by the Principal Regulator, evidencing that a receipt has been, or has been deemed to be, issued for the Preliminary Prospectus in British Columbia;

(nnn) “**Principal Regulator**” means the British Columbia Securities Commission;

(ooo) “**Prospectus**” means, collectively, the Preliminary Prospectus and the Final Prospectus (including any Supplementary Material thereto);

(ppp) “**Private Placement**” means the non-brokered private placement of a minimum of 6,000,000 and up to 8,000,000 units of BC Co at a price of \$0.25 per unit for gross proceeds of up to \$2,000,000 to be completed in connection with the Acquisition and on or prior to the Effective Date. Each unit consists of one BC Co Common Share and one half of one BC Co Warrant.

(qqq) “**Private Placement Shareholders**” means the holders of BC Co Common Shares that acquired their BC Co Common Shares pursuant to the Private Placement;

(rrr) “**Regulation D**” means Regulation D promulgated under the U.S. Securities Act;

(sss) “**Regulation S**” means Regulation S promulgated under the U.S. Securities Act;

(ttt) “**Resulting Issuer**” has the meaning given to the term in §2.77 hereof;

(uuu) “**Resulting Issuer Common Shares**” means the Class A common shares in the capital of the Resulting Issuer;

(vvv) “**Resulting Issuer Warrants**” means the transferrable common share purchase warrants issuable pursuant to this Agreement, with each whole warrant entitling the holder thereof to acquire one additional Resulting Issuer Common Share at a price of CDN \$0.40 for a period of 24 months from the Effective Date;

(www) “**SEDAR**” means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators;

(xxx) “**Shareholders’ Agreement**” means the shareholders agreement dated May 15, 2015 by and among the Company and its shareholders;

(yyy) “**Supplementary Material**” means, collectively, any amendment to the Preliminary Prospectus or the Final Prospectus, and any amendment or supplemental prospectus or ancillary materials that may be filed by or on behalf of BC Co under Applicable Securities Law relating to the Acquisition, the Listing and/or the Private Placement;

(zzz) “**Stock Option Plan**” means the stock option incentive plan to be adopted by BC Co, pursuant to the BC Co Shareholder Consent Materials;

(aaaa) “**Surviving Co**” means the Company, which shall be the surviving corporation of the Merger of Merger Co with and into the Company pursuant to the Merger;

(bbbb) “**Taxes**” means all taxes (including income tax, capital tax, payroll taxes, employer health tax, workers’ compensation payments, property taxes and land transfer taxes), duties, royalties, levies, imposts, assessments, deductions, charges or withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto;

(cccc) “**Tax Returns**” means any return, declaration, report, claim for refund or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof;

(dddd) “**Termination Date**” has the meaning given to the term in §10.1;

(eeee) “**Treasury Regulations**” means the regulations promulgated under the Code, as may be amended from time to time;

(ffff) “**U.S. Person**” means a “U.S. person” as such term is defined in Rule 902 of Regulation S;

(gggg) “**U.S. Securities Act**” means the *United States Securities Act of 1933*, as amended, and the rules and regulations promulgated thereunder; and

(hhhh) “**USA**”, “**United States**”, or “**U.S.**” means the United States of America, its territories and possessions, and any state of the United States, and the District of Columbia.

(iiii) “**Voluntary Common Share Pooling Agreement**” means the voluntary common share pooling agreement among BC Co and the Company Shareholders identified as such on Schedule A hereto substantially in the form attached as Schedule C hereto;

1.2 Interpretation

For the purposes of this Agreement, except as otherwise expressly provided herein:

- (a) the words “**herein**”, “**hereof**”, and “**hereunder**” and other words of similar import refer to this Agreement as a whole and not to any particular Part, clause, subclause or other subdivision or Schedule;
- (b) a reference to a Part means a Part of this Agreement and the symbol § followed by a number or some combination of numbers and letters refers to the section, paragraph or subparagraph of this Agreement so designated;
- (c) the headings are for convenience only, do not form a part of this Agreement and are not intended to interpret, define or limit the scope, extent or intent of this Agreement or any of its provisions;
- (d) the word “**including**”, when following a general statement, term or matter, is not to be construed as limiting such general statement, term or matter to the specific items or matters set forth or to similar items or matters (whether or not qualified by non-limiting language such as “without limitation” or “but not limited to” or words of similar import) but rather as permitting the general statement or term to refer to all other items or matters that could reasonably fall within its possible scope;
- (e) where the phrase “**to the knowledge of**” or phrases of similar import are used in respect of the Parties, it will be a requirement that the Party in respect of who the phrase is used will have made such due inquiries as is reasonably necessary to enable such Party to make the statement or disclosure; and
- (f) unless there is something in the subject matter or context inconsistent therewith:
 - (i) words in the singular number include the plural and such words shall be construed as if the plural had been used;
 - (ii) words in the plural include the singular and such words shall be construed as if the singular had been used; and
 - (iii) words importing the use of any gender shall include all genders where the context or the Party referred to so requires, and the rest of the sentence shall be construed as if the necessary grammatical and terminological changes had been made.

PART 2 TRANSACTION

2.1 Agreement to Merge.

Upon the terms and subject to the conditions contained in this Agreement, the Parties hereby agree that Merger Co shall merge with and into the Company at Closing and the Company shall survive the merger and shall be Surviving Co. BC Co shall, in its capacity as the sole shareholder of Merger Co, approve the Merger as soon as reasonably practicable with the intent that the same shall be completed on or before October 30, 2015.

2.2 Disclosure Documents.

(i) Promptly after the execution of this Agreement, the Company and BC Co jointly shall prepare and complete the Listing Statement together with any other documents required by the BCBCA, Applicable Securities Law and other applicable Laws and the rules and policies of the CSE in connection with the Acquisition, and BC Co shall, as promptly as reasonably practicable after obtaining the approval of the CSE as to the final Listing Statement file such final Listing Statement on SEDAR.

(ii) Promptly after the execution of this Agreement and in accordance with §2.3, the Company and BC Co jointly shall prepare and complete the Preliminary Prospectus together with any other documents required by the BCBCA, Applicable Securities Law and other applicable Laws and the rules and policies of the CSE in connection with the Acquisition, and BC Co shall, as promptly as reasonably practicable after obtaining the Preliminary Receipt from the Principal Regulator file the Preliminary Prospectus on SEDAR.

(iii) Promptly after the execution of this Agreement and in accordance with §2.3, the Company and BC Co jointly shall prepare and complete the Final Prospectus together with any other documents required by the BCBCA, Applicable Securities Law and other applicable Laws and the rules and policies of the CSE in connection with the Acquisition, and BC Co shall, as promptly as reasonably practicable after obtaining the Final Receipt from the Principal Regulator file the Final Prospectus on SEDAR.

(iv) BC Co represents and warrants that the Disclosure Documents will comply in all material respects with all applicable Laws (including Applicable Securities Law), and, without limiting the generality of the foregoing, that the Disclosure Documents shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made (provided that BC Co shall not be responsible for the accuracy of any information relating to the Company or the Resulting Issuer that is furnished in writing by the Company for inclusion in the Disclosure Documents).

(v) The Company represents and warrants that any information or disclosure relating to the Company or the Resulting Issuer that is furnished in writing by the Company for inclusion in the Disclosure Documents will comply in all material respects with all applicable Laws (including U.S. Applicable Securities Law), and, without limiting the generality of the foregoing, that the Disclosure Documents shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made (provided that the Company shall not be responsible for the accuracy of any information relating to BC Co or the Resulting Issuer that is furnished in writing by BC Co for inclusion in the Disclosure Documents).

(vi) The Company, BC Co and their respective legal counsel shall be given a reasonable opportunity to review and comment on drafts of the Disclosure Documents and other documents related thereto, and reasonable consideration shall be given to any comments made by the Company, BC Co and their respective counsel, provided that all information relating solely to BC Co included in the Disclosure Documents shall be in form and content satisfactory to BC Co, acting reasonably, and all information relating solely to the Company included in the Disclosure Documents shall be in form and content satisfactory to the Company, acting reasonably.

(vii) BC Co and the Company shall promptly notify each other if at any time before the date of filing in respect of the Disclosure Documents, either party becomes aware that the Disclosure Documents contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made, or that otherwise requires an amendment or supplement to the Disclosure Documents and the Parties shall cooperate in the preparation of any amendment or supplement to such documents, as the case may be, as required or appropriate.

(viii) BC Co represents, warrants, covenants and agrees with the Company that:

(A) the BC Co Shareholder Consent Materials will comply with BC Co's constating documents and applicable Laws;

(B) except for non-substantive communications, BC Co will furnish promptly to the Company a copy of each notice, report, schedule or other document delivered, filed or received by it in connection with: (i) the Merger; (ii) any filings under Applicable Securities Law; and (iii) any dealings with regulatory agencies in connection with the transactions contemplated herein; and

(C) BC Co will immediately notify the Company of any legal or governmental action, suit, judgment, investigation, injunction, complaint, action, suit, motion, judgment, regulatory investigation, regulatory

proceeding or similar proceeding by any Person, Government Agency or other regulatory body, whether actual or threatened, with respect to the Acquisition or which could otherwise delay or impede the transactions contemplated hereby.

2.3 **Pre-Merger Events.**

Upon the terms and subject to the conditions set forth in this Agreement, prior to the Effective Date, and in the following sequence of events:

- (i) BC Co shall seek and obtain approval for the BC Co Shareholder Consent Materials;
- (ii) Parent Co shall complete the spin-out of BC Co to its shareholders in reliance on the prospectus and registration exemptions set forth in section 2.11 of NI 45-106, and as a result thereof BC Co will be a reporting issuer in the Provinces of British Columbia, Ontario and Alberta;
- (iii) BC Co shall file the Preliminary Prospectus with the Principal Regulator;
- (iv) concurrent with filing the Preliminary Prospectus with the Principal Regulator, BC Co shall file the necessary documents with the CSE to receive CSE conditional approval for the listing of the Resulting Issuer on the CSE (the “**Listing**”) and BC Co shall provide a copy of such conditional approval to the Company promptly upon receipt of the same;
- (v) upon receiving the Preliminary Receipt from the Principal Regulator, BC Co shall promptly file the Preliminary Prospectus and the Preliminary Receipt on SEDAR;
- (vi) BC Co shall promptly file the Final Prospectus with the Principal Regulator;
- (vii) upon receiving the Final Receipt from the Principal Regulator, BC Co shall promptly file the Final Prospectus and the Final Receipt on SEDAR; and
- (viii) concurrent with filing the Final Prospectus with the Principal Regulator, BC Co shall file the necessary documents with the CSE to receive CSE final approval for the Listing and BC Co shall provide a copy of such final approval to the Company promptly upon receipt of the same.

2.4 **Approval of the Company Shareholders**

- (a) Promptly after the Agreement Date, the Company will take all action necessary in accordance with Applicable Florida State Law, including the FBCA, its Articles of Incorporation, Bylaws and Shareholders’ Agreement to distribute a consent action to the Majority Holders (as that term is defined in the Shareholders’ Agreement) to approve and adopt this Agreement and the Merger (the “**Company Shareholders’ Consent Action**”)/

(b) The Board of Directors will recommend that the Company Stockholders vote in favor of and approve and adopt this Agreement and approve the Merger.

(c) The Company will use its best reasonable efforts to take all other action necessary or advisable to secure the vote or consent of the Company Shareholders required by Applicable Florida State Law, its Articles of Incorporation, Bylaws and Shareholders' Agreement to obtain such approvals.

2.5 **Merger Events.**

Upon the terms and subject to the conditions set forth in this Agreement, at the Effective Date:

(i) each Company Share issued and outstanding immediately prior to the Effective Date shall be exchanged by each holder thereof for one (1) fully paid and non-assessable Resulting Issuer Common Share and one half of one Resulting Issuer Warrant such that an aggregate of 15,605,400 Resulting Issuer Shares and 7,802,700 Resulting Issuer Warrants are issued pro rata to the Company Shareholders;

(ii) each Company Share exchanged for one (1) fully paid and non-assessable Resulting Issuer Common Share and one half of one Resulting Issuer Warrant in accordance with §2.5(i), shall be cancelled;

(iii) each Merger Co Share issued and outstanding immediately prior to the Effective Date shall be exchanged for one (1) share of common stock of Surviving Co; and

(iv) Surviving Co shall be a wholly-owned subsidiary of the Resulting Issuer.

2.6 **Share Certificates.**

On the Effective Date:

(i) the original stock certificate of Merger Co registered in the name of BC Co shall be cancelled and BC Co shall be issued a stock certificate for the same number of shares of Surviving Co common stock as provided in §2.5(iii);

(ii) certificates or other evidence representing the Company Shares shall cease to represent any claim upon or interest in the Company other than the right of the holder to receive, pursuant to the terms hereof, Resulting Issuer Common Shares and Resulting Issuer Warrants in accordance with §2.55; and

(iii) upon the delivery and surrender by the holder thereof to the Resulting Issuer of certificates representing Company Shares, which have been exchanged for Resulting Issuer Common Shares and Resulting Issuer Warrants in accordance

with the provisions of §2.55, the Resulting Issuer shall on the Effective Date, or as soon as practicable thereafter, following the date of receipt by the Resulting Issuer of the certificates referred to above, deliver to each such holder certificates representing the number of Resulting Issuer Common Shares and the number of Resulting Issuer Warrants to which such holder is entitled or other evidence of ownership.

2.7 **Resulting Issuer.**

Subject to the approval of the holders of BC Co Common Shares, BC Co, upon completion of the Merger is to be known as “Breathtec Biomedical, Inc.” (the “**Resulting Issuer**”), shall initially have a minimum of three (3) and a maximum of five (5) directors and the following shall be the directors and officers of the Resulting Issuer:

Directors

Kal Malhi;
Raj Attariwala;
Michael Sadhra; and
Mike Costanzo

Officers

<u>Name</u>	<u>Title</u>
Mike Costanzo	Chief Executive Officer
Michael Sadhra	Chief Financial Officer
Raj Attariwala	Chief Technology Officer
Kal Malhi	President and Secretary

2.8 **Merged Corporation.**

Unless otherwise determined in accordance with Applicable Florida State Law by Surviving Co or its shareholders, the following provisions will apply:

- (i) **Number of Directors.** The board of directors of Surviving Co shall consist of a minimum of three (3) directors and a maximum of five (5) directors.
- (ii) **Officers and Directors.** As of the Effective Date, the initial directors of Surviving Co shall be the same as the Resulting Issuer as set forth in §2.77. As of the Effective Date, the initial officers of Surviving Co and their titles shall be the same as the Resulting Issuer as set forth in §2.77.
- (iii) **Fiscal Year.** The fiscal year end of Surviving Co shall be August 31 in each year, unless and until changed by resolution of the board of directors of Surviving Co.

(iv) **Name.** The name of Surviving Co shall be “Breathtec Biomedical, Inc.” or such other name as agreed to by the Parties.

(v) **Registered Office.** The registered office of Surviving Co shall be the registered office of the Company.

(vi) **Authorized Capital.** The authorized capital of Surviving Co shall be the authorized capital of the Company as provided in its Articles of Incorporation with any amendments thereto as may be necessary to give effect to this Agreement.

(vii) **Articles of Incorporation and Bylaws.** The Articles of Incorporation and the Bylaws of Surviving Co shall be the Articles of Incorporation and Bylaws of the Company with any amendments thereto as may be necessary to give effect to this Agreement.

(viii) **Business and Powers.** Except as otherwise prohibited by applicable Laws, there shall be no restriction on the business that Surviving Co may carry on or on the powers that Surviving Co may exercise.

2.9 **Fractional Shares.**

No fractional Resulting Issuer Common Shares will be issued or delivered pursuant to the Merger. Any fractional share will be rounded down to the next lowest number and no consideration will be paid in lieu thereof. In calculating such fractional interests, all securities of the Resulting Issuer registered in the name of, or beneficially held, by a securityholder or their nominee shall be aggregated.

2.10 **Effect of Merger.**

At the Effective Date:

(i) Merger Co shall merge with and into the Company under the FBCA with the Company continuing as the surviving company subsequent to the Merger in accordance with the terms and conditions prescribed in this Agreement;

(ii) all of the property, assets, rights and privileges of Merger Co shall become the property, assets, rights and privileges of the Company, and all of the liabilities and obligations of Merger Co shall become the liabilities and obligations of the Company, which will thereafter be referred to as Surviving Co;

(iii) the Articles of Incorporation and the Bylaws of Surviving Co shall be the Articles of Incorporation and the Bylaws of the Company with any amendments thereto as may be necessary to give effect to this Agreement; and

(iv) the officers and directors of Surviving Co shall be those individuals described in §2.8(ii).

2.11 **Filing of Certificate of Merger.**

Following the approval of the shareholders of the Merger Co and the Company and subject to the satisfaction or waiver of all of the conditions precedent set forth herein, the Company and Merger Co shall file the Certificate of Merger and such other documents as required under the Applicable Florida State Law to effect the Merger.

PART 3 REPRESENTATIONS AND WARRANTIES OF BC CO

3.1 **Representations and Warranties of BC Co.**

As of the Agreement Date, BC Co represents and warrants to and in favour of the Company as follows, and acknowledges that the Company is relying upon such representations and warranties in connection with the completion of the transactions contemplated herein:

(a) *Organization, Standing, Corporate Power, Authority and Non-Contravention.*

(i) Each of BC Co and Merger Co is a corporation incorporated and validly existing under the laws of the jurisdiction of its incorporation. In each case, each such entity has all requisite corporate power and authority and is duly qualified and holds all material permits, licences, registrations, permits, qualifications, consents and authorizations necessary or required to carry on its business as now conducted and to own, lease or operate the BC Co Assets, and neither BC Co nor, to the knowledge of BC Co, any other Person, has taken any steps or proceedings, voluntary or otherwise, requiring or authorizing the dissolution or winding up of BC Co or Merger Co, and BC Co and Merger Co have all requisite corporate power and authority to enter into this Agreement and to carry out their obligations hereunder;

(ii) The authorized capital of BC Co consists of an unlimited number of BC Co Common Shares, of which 12,800,100 BC Co Common Shares are issued and outstanding as fully paid and non-assessable shares in the capital of BC Co;

(iii) Upon completion of the Private Placement and immediately prior to the Closing, it is anticipated that 22,477,398 BC Co Common Shares, 3,550,700 BC Co Warrants and 480,112 Finder Warrants will be issued and outstanding;

(iv) Other than Merger Co, BC Co has no direct or indirect subsidiaries nor any investment in any Person or any agreement, option or commitment to acquire any such investment. All of the issued and outstanding securities of Merger Co are held by BC Co;

(v) Prior to filing the Final Prospectus with the Principal Regulator, BC Co will be a “reporting issuer” as that term is defined under Applicable Securities Law

in the Provinces of British Columbia, Ontario and Alberta and will not be in default of the requirements of the Applicable Securities Law in such jurisdictions;

(vi) BC Co will file the Disclosure Documents along with all other forms, reports, documents and information required to be filed by it, whether pursuant to Applicable Securities Law or otherwise, with the applicable securities commissions and BC Co does not have any confidential filings with any securities authorities. As of the time the Disclosure Documents are filed with the applicable securities regulators and on SEDAR (or, if amended or superseded by a filing prior to the date of this Agreement, then on the date of such filing): (i) each of the Disclosure Documents will comply in all material respects with the requirements of the Applicable Securities Law in the jurisdictions they were filed; and (ii) none of the Disclosure Documents will contain any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading;

(vii) BC Co has been conducting its business in compliance in all material respects with all applicable Laws and regulations of each jurisdiction in which it carries on business and has not received a notice of non-compliance, and, to the knowledge of BC Co, there are no facts that would give rise to a notice of noncompliance with any such laws and regulations;

(viii) No consent, approval, order or authorization of, or registration, declaration or filing with, any third party or governmental entity is required by or with respect to BC Co in connection with the execution and delivery of this Agreement by BC Co, the performance of its obligations hereunder or the consummation by BC Co of the transactions contemplated hereby other than: (i) the approval of the Listing Statement; (ii) the issuance of the Preliminary Receipt and the Final Receipt from the Principal Regulator; (iii) the approval of the BC Co Shareholder Consent Materials by the shareholders of BC Co; (iv) any other consent, approval, order, authorization, registration, declaration, or filing as contemplated by this Agreement; and (v) any other consents, notice, approvals, orders, authorizations, registrations, declarations or filings which, if not obtained or made, would not, individually or in the aggregate, have a Material Adverse Effect on BC Co or prevent or materially impair BC Co's ability to perform its obligations hereunder;

(ix) Each of the execution and delivery of this Agreement, the performance by each of BC Co and Merger Co of its obligations hereunder and the consummation of the transactions contemplated in this Agreement, including the Merger and the issue of the Resulting Issuer Common Shares and Resulting Issuer Warrants upon the Merger, do not and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, whether after notice or lapse of time or both of: (i) any statute, rule or regulation applicable to BC Co or Merger Co, including Applicable Securities Law; (ii) the constating documents, articles/bylaws or resolutions of BC Co or Merger Co; (iii) any mortgage, note, indenture, contract, agreement, joint venture, partnership, instrument, lease or

other document to which BC Co or Merger Co is a party or by which it is bound; or (iv) any judgment, decree or order binding BC Co or Merger Co or their respective assets;

(x) This Agreement has been duly authorized and executed by BC Co and Merger Co and constitutes a valid and binding obligation of each of them and shall be enforceable against each of them in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principals when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by applicable Law;

(xi) Other than this Agreement and the Canadian Arrangement Agreement, BC Co is not currently party to any agreement in respect of: (i) the purchase of any property or assets or any interest therein or the sale, transfer or other disposition of any property or assets or any interest therein currently owned, directly or indirectly, by BC Co whether by asset sale, transfer of shares or otherwise; or (ii) the change of control of BC Co (whether by sale or transfer of shares or sale of all or substantially all of the BC Co Assets or otherwise);

(xii) BC Co is not in violation of its constating documents or in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any contract to which it is a party or by which it or its property may be bound; and

(xiii) The corporate minute books of BC Co contain minutes of all material meetings and resolutions of the directors and shareholders held, and full access thereto has been provided to the Company and its counsel.

(b) *Financial Statements and Taxes.*

(i) BC Co's Financial Statements have, in each case, been prepared in accordance with IFRS consistently applied throughout the periods referred to therein and present fairly, in all material respects, the financial position (including the assets and liabilities, whether absolute, contingent or otherwise as required by IFRS) of BC Co as at such dates and the results of its operations and its cash flows for the periods then ended and contain and reflect adequate provisions or allowance for all reasonably anticipated liabilities, expenses and losses of BC Co in accordance with IFRS and there has been no change in accounting policies or practices of BC Co since August 31, 2015;

(ii) BC Co is a taxable Canadian corporation for Canadian Tax purposes and all Taxes due and payable or required to be collected or withheld and remitted, by BC Co and Merger Co have been paid, collected or withheld and remitted as applicable (except where failure to do so would not be Materially Adverse). All

Tax Returns, declarations, remittances and filings required to be filed by BC Co and Merger Co have been filed with all appropriate Government Agencies and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading (except for such Tax Returns and reports with respect to which the failure to timely file would not be Materially Adverse). BC Co has not received notice of any examination of any Tax Return of BC Co or Merger Co, and to the knowledge of BC Co, no such examination is currently in progress by any Government Agency and there are no issues or disputes outstanding with any Government Agency respecting any Taxes that have been paid, or may be payable, by BC Co or Merger Co. There are no agreements, waivers or other arrangements with any taxation authority providing for an extension of time for any assessment or reassessment of Taxes with respect to BC Co and Merger Co;

(iii) BC Co has established on its books and records reserves or otherwise made provisions that are adequate for the payment of all Taxes not yet due and payable and there are no liens for Taxes on the BC Co Assets and its subsidiary, and, to the knowledge of BC Co, there are no audits pending of the Tax Returns of BC Co or its subsidiary (whether federal, state, provincial, local or foreign) and there are no claims which have been asserted relating to any such Tax Returns;

(iv) BC Co (i) is not a “controlled foreign corporation” as defined in Code Section 957 for purposes of Code Section 1248, and (ii) has no permanent establishment (within the meaning of any applicable Tax treaty) or any office or fixed place of business in a country other than the country in which it is organized.

(v) BC Co’s auditors who audited BC Co’s Financial Statements (as applicable) are independent public accountants; and

(vi) No holder of outstanding BC Co Common Shares is entitled to any preemptive or any similar rights to subscribe for any BC Co Common Shares or other securities of BC Co, and except as contemplated by this Agreement and the Canadian Arrangement Agreement, no rights to acquire, or instruments convertible into or exchangeable for, any securities in the capital of BC Co or Merger Co are outstanding.

(c) *Undisclosed Liabilities.*

(i) Other than as disclosed in BC Co’s Financial Statements, BC Co does not have any liabilities or obligations of any nature, whether known or unknown, absolute, accrued, contingent or otherwise and whether due or to become due, that individually or in the aggregate, are Materially Adverse; and

(ii) No third party has any ownership right, title, interest in, claim in, lien against or any other right to the BC Co Assets purported to be owned by BC Co.

(d) *Litigation.* To the knowledge of BC Co, no legal or governmental actions, suits, judgments, investigations or proceedings are pending to which BC Co or Merger Co, or

to the knowledge of BC Co, the directors, officers or employees of BC Co or Merger Co are a party or to which the BC Co Assets are subject and, to the knowledge of BC Co, no such proceedings have been threatened against or are pending with respect to BC Co or Merger Co, or with respect to the BC Co Assets and neither BC Co nor Merger Co is subject to any judgment, order, writ, injunction, decree or award of any Government Agency.

(e) *Reporting Issuer Status*

(i) Parent Co is a reporting issuer in the Provinces of British Columbia, Ontario and Alberta; and

(ii) No order, ruling or determination having the effect of suspending the sale or ceasing the trading in any securities of BC Co (including the BC Co Common Shares) has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or, to the knowledge of BC Co, are pending, contemplated or threatened by any regulatory authority.

(f) *Material Contracts.*

(i) Neither BC Co nor Merger Co are party to any material contract, written or oral, or any other contract, written or oral, involving an amount in excess of \$5,000 other than:

(A) this Agreement, and

(B) the Canadian Arrangement Agreement.

(collectively, the “**BC Co Contracts**”);

(ii) Neither BC Co nor, to the knowledge of BC Co, any other party thereto is in material default or breach of any BC Co Contract and, to the knowledge of BC Co, there exists no condition, event or act which, with the giving of notice or lapse of time or both would constitute a material default or breach under any BC Co Contract which would give rise to a right of termination on the part of any other party to a BC Co Contract;

(iii) BC Co is not a party to any agreement, nor, to the knowledge of BC Co, is there any shareholders agreement or other contract which in any manner affects the voting control of any of the securities of BC Co or Merger Co;

(iv) There is no agreement, plan or practice of BC Co relating to the payment of any management, consulting, service or other fee or any bonus, pensions, share of profits or retirement allowance, insurance, health or other employee benefit;

(v) BC Co has no, and since incorporation has not had any, employees. There are no employment contracts, agreements or engagements, either oral or written, with any director or officer of BC Co; and

(vi) None of the directors or officers of BC Co or any associate or Affiliate of any of the foregoing has any interest, direct or indirect, in any transaction or any proposed transaction with BC Co that materially affects, is material to or will materially affect BC Co. BC Co is not indebted to: (i) any director, officer or shareholder of BC Co (other than in respect of the reimbursement of expenses incurred on behalf of BC Co in the ordinary course of business); (ii) any individual related to any of the foregoing by blood, marriage or adoption; or (iii) any corporation controlled, directly or indirectly, by any one or more of those Persons referred to in this §3.1(f)(vi). None of those Persons referred to in this §3.1(f)(vi) is indebted to BC Co. Except as disclosed by BC Co to the Company in writing, BC Co is not currently a party to any contract, agreement or understanding with any officer, director, employee, shareholder or any other Person not dealing at arm's length with BC Co.

(g) *No Other Commissions.* Except for finder's fees to be paid by BC Co in connection with the Private Placement (including the issuance of the Finder Warrants), there is no Person acting at the request or on behalf of BC Co that is entitled to any brokerage or finder's fee or other compensation in connection with the transactions contemplated by this Agreement.

PART 4 REPRESENTATIONS AND WARRANTIES OF THE COMPANY

4.1 Representations and Warranties of the Company.

As of the Agreement Date, the Company represents and warrants to and in favour of BC Co as follows, and acknowledges that BC Co is relying upon such representations and warranties in connection with the completion of the transactions contemplated herein:

(a) *Organization, Standing, Corporate Power, Authority and Non-Contravention.*

(i) The Company is a corporation incorporated and validly existing under the laws of the State of Florida and has all requisite corporate power and corporate authority and is duly qualified and holds all material permits, licences, registrations, permits, qualifications, consents and authorizations necessary or required to carry on its business as now conducted and to own, lease or operate its Assets and neither the Company nor, to the knowledge of the Company, any other Person, has taken any steps or proceedings, voluntary or otherwise, requiring or authorizing the dissolution or winding up of the Company, and the Company has all requisite corporate power and corporate authority to enter into this Agreement and to carry out its obligations hereunder;

(ii) The authorized capital of the Company consists of 100,000,000 Company Shares of which (i) immediately prior to the Merger 15,605,400 Company Shares will be issued and outstanding;

(iii) No Person has any written or oral agreement, option or warrant or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming such for the purchase or acquisition of any securities of the Company;

(iv) The Company has no subsidiaries, nor any interest in any body corporate, partnership, joint ventures or other entity or Person and the Company is not a party to any agreement, option or commitment to acquire any shares or securities of any body corporate, partnership, trust, joint venture or other entity or Person (other than as contemplated by this Agreement);

(v) The Company has been conducting its business in compliance in all material respects with all applicable Laws and regulations of each jurisdiction in which it carries on business and has not received a notice of material non-compliance, and, to the knowledge of the Company, there are no facts that would give rise to a notice of material noncompliance with any such laws and regulations;

(vi) No consent, approval, order or authorization of, or registration, declaration or filing with, any third party or governmental entity is required by or with respect to the Company in connection with the execution and delivery of this Agreement by the Company, the performance of its obligations hereunder or the consummation by the Company of the transactions contemplated hereby other than: (i) the approval of the Merger by the Company Shareholders and the approval of the Merger under Applicable Florida State Law; and (ii) any other consents, notice, approvals, orders, authorizations, registrations, declarations or filings which, if not obtained or made, would not, individually or in the aggregate, have a Material Adverse Effect on the Company or prevent or materially impair the Company's ability to perform its obligations hereunder;

(vii) Each of the execution and delivery of this Agreement, the performance by the Company of its obligations hereunder and the consummation of the transactions contemplated in this Agreement, including the Merger, do not and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, whether after notice or lapse of time or both, of: (i) any statute, rule or regulation applicable to the Company, including Applicable Securities Law in the United States; (ii) the constating documents, Bylaws or resolutions of the Company that are in effect at the date hereof; (iii) any mortgage, note, indenture, contract, agreement, joint venture, partnership, instrument, lease or other document to which the Company is a party or by which it is bound; or (iv) any judgment, decree or order binding the Company or the Assets;

(viii) This Agreement has been duly authorized and executed by the Company and constitutes a valid and binding obligation of the Company and shall be enforceable against the Company in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and by the fact that rights to indemnity, contribution and

waiver, and the ability to sever unenforceable terms, may be limited by applicable Law; and

(ix) The Company is not in violation of its constating documents or in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any contract to which it is a party or by which it or its property may be bound.

(x) The Company is not a 'reporting issuer' or equivalent in any jurisdiction nor are any shares of Company listed or quoted on any stock exchange or electronic quotation system.

(xi) At the Effective Date, there will not be any agreement, right or option:

(A) to require the Company to issue any Company Shares or any other security convertible or exchangeable into Company Shares, or to convert or exchange any securities into or for Company Shares;

(B) to require the Company to purchase, redeem or to otherwise acquire any of its issued and outstanding Company Shares;

(C) with respect to the purchase and sale, assignment or other transfer of the issued and outstanding Company Shares, except as contemplated herein; or

(D) to acquire all or any portion of the Company's Assets or any interest therein.

(b) *Intellectual Property.*

(i) The Company has the exclusive right to use, sell, license, sub-license and prepare derivative works for and dispose of and has the rights to bring actions for the infringement or misappropriation of the Company's Intellectual Property that it has registered or applied for registration and the Company has not licensed, conveyed, assigned or encumbered any of the Company's Intellectual Property that it owns. All registrations and filings necessary to preserve the rights of the Company to the Company's Intellectual Property have been made and are in good standing.

(ii) Schedule B hereto sets out all of the Company's Intellectual Property registrations and applications.

(iii) All pending applications for registration of the Company's Intellectual Property (which are fully described in Schedule B) are in good standing with the appropriate offices and assignments have been recorded in favour of the Company to the extent recordation within a timely manner is required to preserve the rights thereto.

(iv) The execution and delivery of this Agreement or any agreement contemplated hereby will not breach, violate or conflict with any instrument or agreement governing any of the Company's Intellectual Property, will not cause the forfeiture or termination of any of the Company's Intellectual Property or in any way exclude the right of the Company to use, sell, license or dispose of or to bring any action for the infringement of any of the Company's Intellectual Property (or any portion thereof).

(v) There are no royalties, honoraria, fees or other payments payable by the Company to any Person by reason of, or in respect of, the ownership, use, license, sale or disposition of any of the Company's Intellectual Property and there are no restrictions on the ability of the Company or any successor to or assignee from the Company to use and exploit all rights in such Company's Intellectual Property.

(vi) All maintenance fees due in accordance with the Company's Intellectual Property have been paid in a timely manner.

(c) *Financial Statements.*

(i) The Company's Financial Statements:

(A) present fairly, in all material respects, the financial position of the Company as at the dates thereof and the results of its operations and the changes in shareholders' equity and cash flows of the Company for the periods specified;

(B) do not contain any untrue statement of a material fact or omit to state a material fact required to be stated under applicable accounting principles or that is necessary to make a statement not misleading in light of the circumstances; and

(C) have been prepared in accordance with IFRS.

(ii) The Company's auditors who audited or reviewed the Company's Financial Statements are independent public accountants.

(d) *Undisclosed Liabilities.* Other than as disclosed in the Company's Financial Statements, the Company does not have any liabilities or obligations of any nature, whether known or unknown, absolute, accrued, contingent or otherwise and whether due or to become due, that, individually or in the aggregate, are Materially Adverse. The Company has no indebtedness, liabilities or obligations, secured or unsecured (whether accrued, absolute, contingent or otherwise) except for those incurred in the ordinary course of its business or in connection with the transactions contemplated by this Agreement.

(e) *Absence of Certain Changes or Events.* Other than the transactions contemplated herein and other than as disclosed in the Company's Financial Statements or the

Disclosure Documents, since August 31, 2015, the Company has conducted its business only in the ordinary course and:

- (i) there has not been any event, change, effect or development (including any decision to implement such a change made by the Board of Directors in respect of which senior management believes that confirmation of the Board of Directors is probable), which, individually or in the aggregate, is Materially Adverse;
- (ii) there has not been any declaration, setting aside or payment of any dividend or other distribution (whether in cash, stock or property) with respect to any Company Shares; and
- (iii) no liability or obligation of any nature (whether absolute, accrued, contingent or otherwise) that is Materially Adverse has been incurred.

(f) *Taxes.* As of the date of this Agreement, if required, the Company has duly and in a timely manner filed all Tax Returns and reports required by Laws to have been filed by it (except for such Tax Returns and reports with respect to which the failure to timely file would not be Materially Adverse), has duly reported all income and other amounts required to be reported and has paid all Taxes to the extent that such Taxes have been assessed by the relevant taxation authority and are due and payable (except where failure to do so would not be Materially Adverse). To the extent required, except where failure to do so would not be Materially Adverse, the Company has duly and in a timely manner paid, deducted, withheld, collected and remitted all Taxes required to be paid, deducted, withheld, collected and remitted by it and has made full provision, in accordance with IFRS for (including properly accruing and reflecting on its books and records) all Taxes that are not yet due, that relate to periods (or portions thereof) ending prior to the date of this Agreement. The Company's Financial Statements contain adequate provision for all Taxes, assessments and levies imposed on the Company, or its property or rights arising out of operations on or before the date of the balance sheet set forth in the Company's Financial Statements in accordance with IFRS regardless of whether such amounts are payable before or after the Closing Date. No deficiency in payment of any Taxes for any period has been asserted by any Government Agency and remains unsettled at the date hereof. There are no actions, suits, examinations, proceedings, investigations, audits or claims now pending or threatened or, to the knowledge of the Company, contemplated against the Company in respect of any Taxes and there are no matters under discussion with any Government Agency relating to any Taxes. The Company has no permanent establishment (within the meaning of any applicable Tax treaty) or any office or fixed place of business in a country other than the country in which it is organized. The Company has not been a United States real property holding corporation within the meaning of Code Section 897(c)(2) during the applicable period specified in Code Section 897(c)(1)(A)(ii). The Company will not be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Effective Date as a result of any (i) change in method of accounting for a taxable period ending on or prior to the Effective Date, (ii) use any improper method of accounting for a taxable period ending on or prior to the Effective Date, (iii) any "closing agreement" as described in Code Section 7121 (or any

corresponding or similar provision of state, local or non-U.S. income Tax law) executed on or prior to the Effective Date, (iv) installment sale or open transaction doctrine made on or prior to the Effective Date (v) prepaid amount received on or prior to the Closing Date and (vi) election under Code Section 108(i). The Company has not been a party to an “reportable transaction,” as defined in Code Section 6707A(c)(1) and Treasury Regulations Section 1.6011-4(b).

(g) *Pre-Emptive Rights.* No holder of outstanding securities of the Company will be entitled to any pre-emptive or any similar rights to subscribe for securities of the Company at any time prior to or concurrent with the Closing of the Merger, including without limitation, pursuant to the Company’s bylaws.

(h) *Change in Law.* The Company is not aware of any pending change to any applicable law that would reasonably be expected to have an effect that would be Materially Adverse.

(i) *Employment Matters.*

(i) The Company has not had, and does not currently have any collective bargaining agreements with respect to its Employees and, to the knowledge of the Company, no accreditation request or other representation question is pending with respect to its Employees. There is no labour strike, dispute or stoppage pending or, to the knowledge of the Company after due inquiry, threatened against the Company, and the Company has not experienced any labour strike, dispute, slowdown or stoppage or other labour difficulty involving its Employees.

(ii) The Company is not subject to any litigation (actual or, to the knowledge of the Company, threatened) relating to employment or termination of employment of its Employees, other than those claims or litigation that are not, individually or in the aggregate, Materially Adverse.

(iii) The Company has operated in accordance with all applicable Laws with respect to employment and labour, including employment and labour standards, occupational health and safety, employment equity, pay equity, workers’ compensation, human rights and labour relations, except where failure to do so would not reasonably be expected to have an effect that would be Materially Adverse, and there are no current, pending or, to the knowledge of the Company, threatened proceedings before any Government Agency with respect thereto.

(iv) No current or former employee, officer or director or the Company is entitled to a severance, termination or other similar payment as a result of the Merger.

(v) No Person is entitled: (i) to a payment under a Contract with the Company as a result of the Merger; or (ii) to terminate a Contract with the Company, as a result of the Merger.

(j) *Bankruptcy, Insolvency.* No bankruptcy, insolvency or receivership proceedings have been instituted by the Company or, to the knowledge of the Company, are pending against the Company.

(k) *Books and Records.* The corporate minute books of the Company contain minutes of all material meetings and resolutions of the directors and shareholders held, and full access thereto has been provided to BC Co and its counsel.

(l) *Non-Arm's Length Transactions.* Other than employment agreements, consulting agreements or other agreements pursuant to which Employees may receive compensation between the Company and its Employees, other than as disclosed in the Financial Statements, there are no Contracts or other transactions currently in place between the Company and: (i) any officer or director of the Company; (ii) any holder of the Company Shares or other securities of the Company; or (iii) any associate or affiliate of the foregoing.

(m) *Litigation.* Other than as disclosed in the Company's Financial Statements, there is no suit, action or proceeding pending or, to the knowledge of the Company, threatened against the Company and there is no judgment, decree, injunction, rule or order of any Government Agency or arbitrator outstanding against the Company.

(n) *No Other Commissions.* Except for finders fees to be paid by BC Co in connection with the Private Placement (including the issuance of the Finder Warrants), there are no persons acting or purporting to act at the request or on behalf of the Company that are entitled to any brokerage or finder's fee in connection with the transactions contemplated in connection with this Agreement.

(o) *Contracts.*

(i) Other than as disclosed herein, the Company does not have any material Contracts as of the date hereof.

(ii) To the knowledge of the Company, any and all material Contracts of the Company are valid and subsisting agreements in full force and effect, enforceable in accordance with their respective terms, the Company is not in default of any of the provisions of any such Contracts, except for any defaults that are not, individually or in the aggregate, reasonably be expected to have an effect that would be Materially Adverse, nor has any such default been alleged, and the Company is not aware of any material disputes with respect thereto.

(iii) The Company is not a party to or bound or affected by any commitment, agreement or document that would prohibit or restrict the Company from entering into this Agreement or completing the Merger.

(p) *Liens.* There are no encumbrances or liens (registered or, to the knowledge of the Company, unregistered) against any of the Assets.

(q) *Premises.* With respect to each premises that is material to the Company and which the Company occupies, whether as owner or as tenant (the “**Leased Premises**”), the Company occupies the Leased Premises and has the exclusive right to occupy and use the Leased Premises and each of the leases pursuant to which the Company occupies the Leased Premises is in good standing and in full force and effect under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made or proposed to be made of such property and buildings by the Company.

(r) *Insurance.*

(i) The insurance maintained by the Company is customary of any company engaged in the business carried on by the Company and such insurance adequately covers all material risks reasonably and prudently foreseeable in the operation and conduct of the business of the Company, and the Company is not in material default under the terms of any such policy.

(ii) There is no claim outstanding under any insurance policy of the Company as to which coverage has been questioned, denied or disputed by the underwriter of such policy, and there has been no notice of cancellation or termination of, or premium increase with respect to, any such policy.

(iii) The Company has paid all premiums due under its insurance policies and the Company is not in default in any material respect under the terms of any of their insurance policies.

PART 5 SURVIVAL OF REPRESENTATIONS AND WARRANTIES

5.1 No Survival of Representations and Warranties.

The representations and warranties made by the Parties and contained in this Agreement shall not survive the Closing.

PART 6 COVENANTS OF THE COMPANY

The Company hereby covenants and agrees with BC Co as follows until the earlier of the Effective Date or the termination of this Agreement in accordance with its terms:

6.1 Necessary Consents.

The Company shall use its commercially reasonable efforts to obtain from the Company’s directors, shareholders and all federal, state or other governmental or administrative bodies such approvals or consents as are required to complete the transactions contemplated herein.

6.2 **Ordinary Course.**

The Company will operate its business in a prudent and business-like manner in the ordinary course and in a manner consistent with past practice.

6.3 **Non-Solicitation.**

- (a) The Company hereby covenants and agrees from the date hereof until the Termination Date not to, directly or indirectly, solicit, initiate, knowingly encourage, cooperate with or facilitate (including by way of furnishing any non-public information or entering into any form of agreement, arrangement or understanding) the submission, initiation or continuation of any oral or written inquiries or proposals or expressions of interest regarding, constituting or that may reasonably be expected to lead to any activity, arrangement or transaction or propose any activities or solicitations in opposition to or in competition with the Acquisition. In the event the Company or any of its Affiliates, including any of their officers or directors, receives any form of offer or inquiry in respect of the foregoing, the Company shall forthwith (in any event within one Business Day following receipt) notify BC Co of such offer or inquiry and provide BC Co with the material terms of the same.
- (b) Notwithstanding anything herein to the contrary, at any time prior to Closing, if the Company receives a Superior Proposal, then the Board of Directors of the Company shall provide written notice to Parent Co within two business days of receipt (a “**Notice of Superior Proposal**”). A Notice of Superior Proposal shall advise Parent Co that the Board of Directors of the Company has received a Superior Proposal and shall include any information and materials requested by Parent Co (including the most recent version of any written agreement relating to the transaction that constitutes a Superior Proposal or, if no such agreement exists, a written summary of the material terms and conditions of such Superior Proposal). If Parent Co, within two business days following its receipt of a Notice of Superior Proposal (the “**Notice Period**”), makes an offer that, as determined in good faith by the Company’s Board of Directors, after consultation with its financial advisors and outside legal counsel, is superior to the applicable Superior Proposal, then the Company shall have no right to terminate this Agreement pursuant to Section 10.1(iv). If Parent Co shall not have made such an offer within the Notice Period, then the Board of Directors of the Company may terminate this Agreement to accept such Superior Proposal pursuant to Section 10.1(iv). During the Notice Period, the Company shall, and shall cause its representatives, including, without limitation, its financial advisors and outside legal counsel, to negotiate in good faith with Parent Co and its representatives (to the extent Parent Co desires to negotiate) with respect to any offer from Parent Co.
- (c) As used in this Agreement, “**Superior Proposal**” shall mean a bona fide proposal for (i) a merger, consolidation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution or similar transaction involving the Company whose assets, individually or in the aggregate, constitute more than 50% of the assets of the Company, (ii) the direct or indirect acquisition of assets or businesses representing

50% or more of the assets of the Company, whether pursuant to an acquisition of securities, assets or otherwise or (iii) the acquisition of 50% or more of any class of the issued and outstanding equity or voting securities of the Company, which the Board of Directors of the Company determines in good faith, after consultation with the Company's financial advisors and outside legal counsel, taking into account all the terms of the proposal (including, without limitation, the legal, financial and regulatory aspects of such proposal, the identity of the person making such proposal and the conditions for completion of such proposal) (i) is more favorable, from a financial point of view, to the Company's shareholders than the transactions contemplated by this Agreement (taking into account any revised proposal by Parent Co to amend the terms of this Agreement pursuant to and in accordance with Section 6.3(b)) and the failure of the Board of Directors of the Company to approve or recommend such proposal would be inconsistent with its fiduciary duties under applicable Law, (ii) the financing of which is fully committed or reasonably likely to be obtained and (iii) is reasonably expected to be consummated on a timely basis.

6.4 **Restrictive Covenants.**

The Company hereby covenants and agrees until the Termination Date not to, without BC Co's prior written consent, which shall not be unreasonably withheld:

- (i) issue any debt, equity or other securities;
- (ii) borrow money or incur any indebtedness for money borrowed, except in the ordinary course of business;
- (iii) make loans, advances or other payments to directors, officers, employees or consultants of the Company, other than: (i) payments made in the ordinary course of business (including payment of salaries or consultant fees at current rates); or (ii) routine advances or payments to directors, officers, employees or consultants of the Company for expenses incurred on behalf of the Company in the ordinary course of business;
- (iv) declare or pay any dividends or distribute any of the Company's properties or Assets to shareholders, except in the ordinary course of business;
- (v) alter or amend the Company's Articles of Incorporation or Bylaws, except as required to give effect to the matters contemplated herein; or
- (vi) except as otherwise permitted or contemplated herein, enter into any transaction or material contract that is not in the ordinary course of business or engage in any business enterprise or activity materially different from that carried on or contemplated by the Company and/or its Affiliates as of the date hereof.

6.5 **All Other Action.**

The Company shall cooperate fully with BC Co and will use all reasonable commercial efforts to assist BC Co in its efforts to complete the Acquisition, unless such

cooperation and efforts would subject the Company to material cost or liability or would be in breach of applicable statutory or regulatory requirements.

PART 7 COVENANTS OF BC CO

BC Co hereby covenants and agrees with the Company as follows until the earlier of the Effective Date or the termination of this Agreement in accordance with its terms:

7.1 Necessary Consents.

BC Co shall use its reasonable efforts to obtain from BC Co's directors, shareholders, the CSE, the Principal Regulator and all federal, provincial, municipal or other governmental or administrative bodies such approvals or consents as are required to complete the transactions contemplated herein (including approval of its shareholders of the BC Co Shareholder Consent Materials and the approval of the CSE of the listing of Resulting Issuer Common Shares and the shares underlying the Resulting Issuer Warrants to be issued pursuant to this Agreement).

7.2 Ordinary Course.

BC Co will operate its business in a prudent and business-like manner in the ordinary course and in a manner consistent with past practice.

7.3 Non-Solicitation.

BC Co hereby covenants and agrees until the Termination Date not to, directly or indirectly, solicit, initiate, knowingly encourage, cooperate with or facilitate (including by way of furnishing any non-public information or entering into any form of agreement, arrangement or understanding) the submission, initiation or continuation of any oral or written inquiries or proposals or expressions of interest regarding, constituting or that may reasonably be expected to lead to any activity, arrangement or transaction or propose any activities or solicitations in opposition to or in competition with the Acquisition. In the event BC Co or any of its Affiliates, including any of their officers or directors, receives any form of offer or inquiry in respect of any of the foregoing, BC Co shall forthwith (in any event within one Business Day following receipt) notify the Company of such offer or inquiry and provide the Company with the material terms of the same.

7.4 Restrictive Covenants.

BC Co hereby covenants and agrees until the Termination Date not to, without the Company's prior written consent:

- (i) issue any debt, equity or other securities, except in connection with the Private Placement (including the Finder Warrants), the Canadian Arrangement Agreement or the Acquisition;

- (ii) borrow money or incur any indebtedness for money borrowed;
- (iii) make loans, advances or other payments to directors, officers, employees or consultants of BC Co, other than (i) payments made in the ordinary course of business (including payment of consultant fees at current rates) or (ii) routine advances or payments to directors, officers, employees or consultants of BC Co for expenses incurred on behalf of BC Co in the ordinary course of business;
- (iv) make any capital expenditures;
- (v) declare or pay any dividends or distribute any BC Co Assets to shareholders;
- (vi) alter or amend BC Co's charter documents in any manner, except as required to give effect to the matters contemplated herein; or
- (vii) except as otherwise permitted or contemplated herein, enter into any transaction or material contract or engage in any business enterprise or activity different from that carried on by BC Co as of the date hereof.

7.5 **Merger Co.**

Merger Co shall be validly subsisting and in good standing under Applicable Florida State Law immediately prior to the Merger. BC Co covenants and agrees that Merger Co shall not carry on any business and shall not enter into any contracts, agreements, commitments, indentures or other instruments prior to the Closing Date other than this Agreement and as required to effect the Merger.

7.6 **All Other Action.**

BC Co shall cooperate fully with the Company and will use all reasonable commercial efforts to assist the Company in its efforts to complete the Acquisition unless such cooperation and efforts would subject BC Co to material cost or liability or would be in breach of applicable statutory and regulatory requirements.

PART 8 CONDITIONS PRECEDENT

8.1 **Conditions for the Benefit of BC Co.**

The transactions contemplated herein are subject to the following conditions to be fulfilled or performed on or prior to the Closing Date, which conditions are for the exclusive benefit of BC Co and may be waived, in whole or in part, by BC Co in its sole discretion:

- (i) **Truth of Representations and Warranties.** The representations and warranties of the Company contained in this Agreement shall have been true and correct as of the date of this Agreement and shall be true and correct as of the

Closing Date in all material respects with the same force and effect as if such representations and warranties had been made on and as of such Closing Date except as affected by transactions contemplated or permitted by this Agreement and an officer or director of the Company shall provide a certificate addressed to BC Co at Closing confirming the foregoing.

(ii) **Performance of Obligations.** The Company shall have performed, fulfilled or complied with, in all material respects, all of its obligations, covenants and agreements contained in this Agreement to be fulfilled or complied with by them at or prior to the Closing Date and an officer or director of the Company shall provide a certificate addressed to BC Co at Closing confirming the foregoing.

(iii) **Approvals and Consents.** All required approvals, consents and authorizations of third parties in respect of the transactions contemplated herein, including without limitation all necessary shareholder and regulatory approvals, shall have been obtained on terms acceptable to BC Co acting reasonably, including the approval of the CSE, the approval of the BC Co Shareholder Consent Materials by the shareholders of BC Co and the Company Shareholder approval of the Merger.

(iv) **Private Placement.** The Private Placement shall have been completed.

(v) **No Material Adverse Change.** There shall have been no material adverse change in the business, results of operations, assets, liabilities, financial condition or affairs of the Company since August 31, 2015, other than a reduction of its cash position and/or accrual of expenses, in each case in order to pay or accrue for professional fees or other expenses in connection with the Acquisition.

(vi) **Deliveries.** The Company shall deliver or cause to be delivered to BC Co the closing documents as set forth in §9.2 in a form satisfactory to BC Co acting reasonably.

(vii) **Proceedings.** All proceedings to be taken in connection with the transactions contemplated in this Agreement shall be satisfactory in form and substance to BC Co, acting reasonably, and BC Co shall have received copies of all instruments and other evidence as it may reasonably request in order to establish the consummation or closing of such transactions and the taking of all necessary proceedings in connection therewith.

(viii) **No Legal Action or Prohibition of Law.** There shall be no action or proceeding pending or threatened by any Person (other than the Company) in any jurisdiction, or any applicable Laws proposed, enacted, promulgated or applied, to enjoin, restrict or prohibit any of the transactions contemplated by this Agreement or which could reasonably be expected to result in a Material Adverse Effect on the Company.

8.2 **Conditions for the Benefit of the Company.**

The transactions contemplated herein are subject to the following conditions to be fulfilled or performed on or prior to the Effective Date, which conditions are for the exclusive benefit of the Company and may be waived, in whole or in part, by the Company in its sole discretion:

- (i) **Truth of Representations and Warranties.** The representations and warranties of BC Co contained in this Agreement shall have been true and correct as of the date of this Agreement and shall be true and correct as of the Closing Date in all material respects with the same force and effect as if such representations and warranties had been made on and as of such Closing Date except as affected by transactions contemplated or permitted by this Agreement and an officer or director of BC Co shall provide a certificate to the Company at Closing confirming the foregoing.
- (ii) **Performance of Obligations.** BC Co shall have performed, fulfilled or complied with, in all material respects, all of its obligations, covenants and agreements contained in this Agreement to be fulfilled or complied with by BC Co at or prior to the Closing Date and an officer or director of BC Co shall provide a certificate to the Company at Closing confirming the foregoing.
- (iii) **No Material Adverse Change.** There shall have been no material adverse change in the business, results of operations, assets, liabilities, financial condition or affairs of BC Co since August 31, 2015, other than a reduction of its cash position in order to pay professional fees or other expenses in connection with the Acquisition.
- (iv) **Approvals and Consents.** All required approvals, consents and authorizations of third parties in respect of the transactions contemplated herein, including without limitation all necessary shareholder and regulatory approvals, shall have been obtained on terms acceptable to the Company acting reasonably, including approval of the BC Co Shareholder Consent Materials by the shareholders of BC Co and the Company Shareholder approval of the Merger.
- (v) **Private Placement.** The Private Placement shall have been completed.
- (vi) **Share Issuance by BC Co to Existing Company Shareholders.** Notwithstanding anything else contained herein, as consideration for entering into this Agreement, BC Co shall have issued such number of Resulting Issuer Common Shares, at a deemed price of CDN \$0.25 per Resulting Issuer Common Share, to the Existing Company Shareholders on a pro rata basis so that the number of Resulting Issuer Common Shares held by the Existing Company Shareholders equals 15,605, 400 Resulting Issuer Common Shares and the number of the Resulting Issuer Warrants equals 7,802,700 Resulting Issuer Warrants.
- (vii) **U.S. Registration Exemption.** The issuance of the Resulting Issuer Common Shares and Resulting Issuer Warrants issuable pursuant to the Merger

shall be exempt or excluded from registration requirements under the U.S. Securities Act, and the registration and qualification requirements of all Applicable Securities Law. It is anticipated that BC Co will rely on Rule 506(b) of Regulation D and Rule 903 of Regulation S, as applicable, in connection with the offer and sale of the Resulting Issuer Common Shares and Resulting Issuer Warrants. The Company hereby agrees that it will cooperate with BC Co in the preparation of a private placement memorandum containing the information prescribed by Rule 502(b) of Regulation D, if applicable.

(viii) **Exemption from Prospectus Requirements.** The distribution of the Resulting Issuer Common Shares in Canada pursuant to the Merger (including those Resulting Issuer Common Shares distributable pursuant to the rights attached to the Resulting Issuer Warrants) shall be exempt from, or otherwise not subject to, prospectus requirements of Applicable Securities Law and shall be freely tradeable (subject to the usual restrictions under National Instrument 45-102 Resale of Securities, of the Canadian Securities Administrators or pursuant to Applicable Securities Law in the United States). The Company hereby acknowledges and agrees that any Resulting Issuer Common Shares and any Resulting Issuer Warrants issued to or for the account or benefit of any U.S. Persons or persons in the United States in reliance on Rule 506(b) of Regulation D will be issued as “restricted securities” as defined in Rule 144(a)(3) under the U.S. Securities Act, and will be represented by definitive certificates endorsed with a U.S. restrictive legend in customary form.

(ix) **Issuance of Shares.** The Resulting Issuer Common Shares shall be free and clear of any and all encumbrances, Liens, charges, demands and restrictions on transfer whatsoever except the escrow restrictions imposed by the CSE or the Principal Regulator, restrictions imposed pursuant to the Voluntary Common Share Pooling Agreement, and restrictive or hold period prescribed under Applicable Securities Law.

(x) **Deliveries.** BC Co shall deliver or cause to be delivered to the Company BC Co’s Closing Documents as set forth in §9.3 in a form satisfactory to the Company, acting reasonably.

(xi) **Proceedings.** All proceedings to be taken in connection with the transactions contemplated in this Agreement shall be satisfactory in form and substance to the Company, acting reasonably, and the Company shall have received copies of all instruments and other evidence as it may reasonably request in order to establish the consummation or closing of such transactions and the taking of all necessary proceedings in connection therewith.

(xii) **No Legal Action or Prohibition of Law.** There shall be no action or proceeding pending or threatened by any Person (other than BC Co) in any jurisdiction, or any applicable Laws proposed, enacted, promulgated or applied, to enjoin, restrict or prohibit any of the transactions contemplated by this Agreement

or which could reasonably be expected to result in a Material Adverse Effect on BC Co.

PART 9 CLOSING

9.1 Time of Closing.

The Closing of the transactions contemplated herein shall be completed at the offices of McMillan LLP, Suite 1500 – 1055 West Georgia Street, Vancouver, British Columbia at 10:00 a.m. (Vancouver time) on the Closing Date. Closing of the transactions contemplated herein can be facilitated through electronic communication and document transmission and the physical presence of the Parties' representatives is not required for the Closing of any such transaction unless necessary.

9.2 Company Closing Documents.

On the day of Closing, the Company shall deliver to BC Co the following documents:

- (i) a certified copy of the resolutions of the directors and shareholders of the Company approving and authorizing the transactions herein contemplated;
- (ii) a certified copy of the constating documents of the Company;
- (iii) the Voluntary Common Share Pooling Agreement shall have been executed and delivered by Company Shareholders, as applicable;
- (iv) a favourable legal opinion from counsel to the Company with respect to such matters as counsel for BC Co may reasonably request; and
- (v) evidence that the Company has cancelled all of its issued and outstanding securities as of the Closing Date including those that have been exchanged for securities of BC Co under this Agreement as evidenced by cancelled share certificates, or if Company's securities are not certificated, by the Company's updated share register showing BC Co as the sole shareholder of Company.

9.3 BC Co's Closing Documents.

On the day of Closing, BC Co shall deliver to the Company the following documents:

- (i) Certificates or confirmation of electronic registration (such as Direct Registration Statement (DRS)) representing the Resulting Issuer Common Shares and Resulting Issuer Warrants issuable to and in the respective names of the holders of Company Common Shares pursuant to the Merger (such certificates or

electronic registration to be registered and prepared in accordance with a written direction to be provided by the Company prior to Closing);

(ii) copies of the list of defaulting issuers published by the British Columbia, Ontario and Alberta securities commissions showing that BC Co does not appear on a list of defaulting reporting issuers maintained by each such securities commission;

(iii) a certified copy of the resolutions of the directors of BC Co and Merger Co, and of BC Co as the sole shareholder of Merger Co approving and authorizing the transactions herein contemplated and a certified copy of the resolutions approving the BC Co Shareholder Consent Materials;

(iv) a certified copy of the constating documents of BC Co and Merger Co issued by the Registrar of Companies British Columbia;

(v) written resignations and releases of the current officers and directors of BC Co;

(vi) a cancelled certificate evidencing the Merger Co Shares registered in the name of BC Co; and

(vii) a favourable legal opinion from counsel to BC Co with respect to such matters as counsel for the Company may reasonably request.

PART 10 TERMINATION

10.1 Termination.

This Agreement shall terminate with the Parties having no obligations to each other, other than in respect of the expense provisions contained in §11.6, the confidentiality provisions contained in §11.1, if applicable, on the day (the “**Termination Date**”) on which the earliest of the following events occurs:

(i) written agreement of the parties to terminate this Agreement;

(ii) any applicable regulatory or Government Agency having notified in writing either BC Co or the Company of its determination to not permit the Merger to proceed, in whole or in part, and the parties have used commercially reasonable efforts to appeal or reverse such determination, or modify the Merger on a basis that is not prejudicial to either party hereto in order to address such determination;

(iii) the Closing of the Merger has not occurred on or before 5:00 p.m. (Vancouver time) on October 31, 2015; or

(iv) the Company plans to accept a Superior Proposal in accordance with Section 6.3(b).

10.2 **Effect of Termination.**

Each Party's right of termination under this Part 10 is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of a right of termination will not be an election of remedies. Nothing in Part 10 shall limit or affect any other rights or causes of action any Party may have with respect to the representations, warranties, covenants and indemnities in its favour contained in this Agreement.

PART 11 GENERAL

11.1 **Confidential Information.**

No disclosure or announcement, public or otherwise, in respect of this Agreement or the transactions contemplated herein will be made by BC Co or the Company or its representatives without the prior agreement of the other party as to timing, content and method, hereto, except for disclosure by a Party made to its own representatives, and its legal and accounting consultants. The obligations herein will not prevent any party from making, after consultation with the other party, such disclosure as its counsel advises is required by applicable law or the rules and policies of the CSE.

Except as and only to the extent required by applicable Laws, a Receiving Party will not disclose or use, and it will cause its representatives not to disclose or use, any Confidential Information furnished, or to be furnished, by a Disclosing Party or its representatives to the Receiving Party or its representatives at any time or in any manner other than for purposes of evaluating and completing the transactions proposed in this Agreement.

If this Agreement is terminated, each Receiving Party will promptly return to the Disclosing Party or destroy any Confidential Information and any work product produced from such Confidential Information in its possession or in the possession of any of its representatives.

11.2 **Counterparts.**

This Agreement may be executed in several counterparts (by original or facsimile or e-mail transmitted signature), each of which when so executed shall be deemed to be an original and each of such counterparts, if executed by each of the Parties, shall constitute a valid and enforceable agreement among the Parties.

11.3 **Severability.**

In the event that any provision or part of this Agreement is determined by any court or other judicial or administrative body to be illegal, null, void, invalid or unenforceable, that provision shall be severed to the extent that it is so declared and the other provisions of this Agreement shall continue in full force and effect.

11.4 **Applicable Law.**

This Agreement shall be governed by and construed in accordance with the laws of the State of Florida without giving effect to the conflict of law principles therein.

11.5 **Successors and Assigns.**

This Agreement shall accrue to the benefit of and be binding upon each of the Parties hereto and their respective, administrators and assigns, provided that this Agreement shall not be assigned by any one of the Parties without the prior written consent of the other Parties.

11.6 **Expenses.**

Each of the Parties hereto shall be responsible for its own costs and charges incurred with respect to the transactions contemplated herein including, without limitation, all costs and charges incurred prior to the date hereof and all legal and accounting fees and disbursements relating to preparing this Agreement or otherwise relating to the transactions contemplated herein; provided, however (and for greater certainty), BC Co shall be responsible for paying all costs and fees payable to the CSE in connection with their review of the proposed Acquisition (including the review of the Personal Information Forms to be submitted by the proposed executive officers and directors of the Resulting Issuer following completion of the Acquisition) and the CSE listing fees in connection with any securities issued pursuant to the Acquisition.

11.7 **Further Assurances.**

Each of the Parties hereto will, without further consideration, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered such other documents, instruments of transfer, conveyance, assignment and assurances and secure all necessary consents and authorizations as may be reasonably requested by another party and take such further action as the other may reasonably require to give effect to any matter provided for herein.

11.8 **Entire Agreement.**

This Agreement and the schedules referred to herein constitute the entire agreement among the Parties hereto and supersede all prior communications, agreements, representations, warranties, statements, promises, information, arrangements and understandings, whether oral or written, express or implied, with respect to the subject matter hereof, including the letter of intent of the Parties dated June 4, 2015. None of the Parties hereto shall be bound or charged with any oral or written agreements, representations, warranties, statements, promises, information, arrangements or understandings not specifically set forth in this Agreement or in the schedules, documents and instruments to be delivered by and/or on the Closing Date pursuant to this Agreement. The Parties hereto further acknowledge and agree that, in entering into this Agreement and in delivering the schedules, documents and instruments to be delivered by and/or on the Closing Date, they have not in any way relied, and will not in any way rely, upon any oral or written agreements, representations, warranties, statements, promises, information, arrangements or understandings, express or implied, not specifically set forth in this Agreement

or in such schedules, documents or instruments attached hereto or referenced therein (including the schedules, documents or instruments to be delivered by and/or on the Closing Date).

11.9 **Notices.**

Any notice required or permitted to be given hereunder shall be in writing and shall be effectively given if (i) delivered personally, (ii) sent prepaid courier service or mail, or (iii) sent by facsimile, e-mail or other similar means of electronic communication addressed as follows:

in the case of notice to BC Co or Merger Co:

1500-1055 West Georgia Street
Vancouver, British Columbia
Canada V6E 4N7

Attention: Andrew Cheshire, Director, Email: checshireconsulting@gmail.com, with copies to (which shall not constitute notice hereunder):

McMillan LLP
Suite 1500 – 1055 West Georgia Street
Vancouver, BC V6E 4N7
Attention: Jeff Wust—jeff.wust@mcmillan.ca

in the case of notice to the Company:

10589 Ladner Trunk Rd., Delta
BC, Canada V4G 1K2

Attention: Kulwant Malhi, President, E-mail: k.malhi@dccnet.com with copies to (which shall not constitute notice hereunder):

Locke Lord LLP
Terminus 200, Suite 1200 3333 Piedmont Road NE
Atlanta Georgia 30305
United States of America
Attention: Lori Bibb, Esq.—lbibb@lockelord.com

Any notice, designation, communication, request, demand or other document given or sent or delivered as aforesaid shall:

- (i) if delivered as aforesaid, be deemed to have been given, sent, delivered and received on the date of delivery;
- (ii) if sent by mail as aforesaid, be deemed to have been given, sent, delivered and received on the fourth Business Day following the date of mailing, unless at any time between the date of mailing and the fourth Business Day thereafter there is a discontinuance or interruption of regular postal service, whether due to strike or lockout or work slowdown, affecting postal service at the point of dispatch or

delivery or any intermediate point, in which case the same shall be deemed to have been given, sent, delivered and received in the ordinary course of the mail, allowing for such discontinuance or interruption of regular postal service; and

(iii) if sent by facsimile or other means of electronic communication, be deemed to have been given, sent, delivered and received on the Business Day of the sending if sent during normal business hours on a Business Day (otherwise on the following Business Day).

11.10 Waiver.

Any Party hereto which is entitled to the benefits of this Agreement may, and has the right to, waive any term or condition hereof at any time on or prior to the Closing Date, provided however that such waiver shall be evidenced by written instrument duly executed on behalf of such Party; however, any e-mail containing such waiver sent from the respective e-mail address of BC Co, Merger Co or the Company (as applicable and as noted under §11.9) is deemed to be a written instrument duly executed on behalf of such Party for the purposes of this §11.10.

11.11 Amendments.

No modification or amendment to this Agreement may be made unless agreed to by the Parties hereto in writing.

11.12 Remedies Cumulative.

The rights and remedies of the Parties under this Agreement are cumulative and in addition to and not in substitution for any rights or remedies provided by law. Any single or partial exercise by any Party hereto of any right or remedy for default or breach of any term, covenant or condition of this Agreement does not waive, alter, affect or prejudice any other right or remedy to which such Party may be lawfully entitled for the same default or breach.

11.13 Currency.

Unless otherwise indicated, all dollar amounts referred to in this Agreement are in the lawful money of Canada.

11.14 Time of Essence.

Time shall be of the essence hereof.

[Signature Page Follows]

IN WITNESS WHEREOF this agreement has been executed by the Parties hereto as of the date first above written.

Petro Basin Energy Corp.

Per: 

Authorized Signatory
Name: Morgan Tincher
Title: Chief Executive Officer and Director

Breathtec Biomedical, Inc.

Per: _____
Name: Andrew Cheshire
Title: Director, President and Secretary
For itself and as sole shareholder of Merger Co

Breathtec Merger Co, Inc.

Per: _____
Name: Andrew Cheshire
Title: Director, President and Secretary

Breathtec Biomedical, Inc.

A Florida corporation


Per: _____
Name: Kulwant Malhi
Title: President and Secretary

IN WITNESS WHEREOF this agreement has been executed by the Parties hereto as of the date first above written.


Petro Basin Energy Corp.

Per: _____
Authorized Signatory
Name: Morgan Tincher
Title: Chief Executive Officer and Director

Breathtec Biomedical, Inc.

Per:  _____
Name: Andrew Cheshire
Title: Director, President and Secretary
For itself and as sole shareholder of Merger Co

Breathtec Merger Co, Inc.

Per:  _____
Name: Andrew Cheshire
Title: Director, President and Secretary

Breathtec Biomedical, Inc.
A Florida corporation

Per: _____
Name: Kulwant Malhi
Title: President and Secretary

IN WITNESS WHEREOF this agreement has been executed by the Parties hereto as of the date first above written.

Petro Basin Energy Corp.

Per: _____
Authorized Signatory
Name: Morgan Tincher
Title: Chief Executive Officer and Director

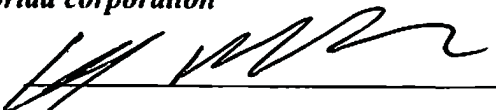
Breathtec Biomedical, Inc.

Per: _____
Name: Andrew Cheshire
Title: Director, President and Secretary
For itself and as sole shareholder of Merger Co

Breathtec Merger Co, Inc.

Per: _____
Name: Andrew Cheshire
Title: Director, President and Secretary

Breathtec Biomedical, Inc.
A Florida corporation

Per: 
Name: Kulwant Malhi
Title: President and Secretary

SCHEDULE "A"

EXISTING COMPANY COMMON SHAREHOLDERS

This is Schedule "A" to the above Agreement and Plan of Merger Capitalized terms used but not defined in this Schedule "A" have the meanings ascribed thereto in the Plan of Merger.

	Shareholder	Total Shares
1	Cannabix Breathalyzer Inc. (1) (4)	3,000,000
2	Kulwant Malhi (4)	2,000,000
3	Raj Attariwala (4)	2,000,000
4	Rock Yost (4)	500,000
5	Mike Costanzo (4)	500,000
6	Gurjeet Sangha (4)	750,000
7	Basant Management (4)	800,000
8	Michael Sadhra (4)	250,000
9	Equity Plan(2)	1,000,000
10	University of Florida(3)	2,000,000
11	Offering	5,605,400

Note:

- (1) Kulwant Malhi is President and Director of this entity.
- (2) Company 2015 Equity Plan reserved 1,000,000 shares of common stock for issuance by Company to officers, directors, employees and consultants
- (3) Company has reserved 2,000,000 shares of common stock to issue to the University of Florida upon the exercise of the Company's option to acquire US Patent 8,237,118 entitled "Partial Ovoidal FAIMS Electrode."
- (4) Required to enter into the Voluntary Common Share Pooling Agreement.

[End of Schedule "A"]

SCHEDULE “B”
INTELLECTUAL PROPERTY

The Company has an option to acquire from the University of Florida U.S. Patent 8,237,118 entitled “Partial Ovoidal FAIMS Electrode.”

SCHEDULE "C"

FORM OF VOLUNTARY POOLING AGREEMENT (ATTACHED)

VOLUNTARY COMMON SHARE POOLING AGREEMENT

This Pooling Agreement (the “**Agreement**”) is made effective the ____ day of _____, 2015.

AMONG:

BREATHTEC BIOMEDICAL, INC., a corporation incorporated under the laws of the Province of British Columbia, with a registered office at Suite 1500 – 1055 West Georgia Street, Vancouver, British Columbia V6E 4N7

(the “**Company**”)

AND:

The undersigned shareholders of Breathtec BioMedical, Inc., a corporation incorporated under the laws of the State of Florida, listed in the attached Schedule “A”

(each a “**Shareholder**”)

AND:

LM&S SERVICES INC., having an address at Suite 1500 – 1055 West Georgia Street, Vancouver, British Columbia V6E 4N7

(the “**Trustee**”)

WHEREAS:

A. On September 11, 2015, the Company, Petro Basin Energy Corp., Florida Merger Co, Inc. (“**Subco**”), a subsidiary of the Company, and Breathtec Biomedical, Inc., a company incorporated under the laws of the State of Florida (“**Breathtec**”) entered into an Agreement and Plan of Merger (the “**Merger Agreement**”), whereby the parties agreed to complete a three-cornered Merger pursuant to which Subco will amalgamate with Breathtec (the “**Merger**”) and, on completion of the Merger, former securityholders of Breathtec will receive securities of the Company;

B. In the Merger Agreement, Breathtec agreed to cause certain of the shareholders (the “**Breathtec Shareholders**”) of common shares of Breathtec to, on or prior to the closing of the Merger, enter into a pooling agreement pursuant to which the common shares of the Company (the “**Common Shares**”) and common share purchase warrants of the Company (“**Warrants**”) issued to the Breathtec Shareholders in connection with the Merger would be pooled and released as to one-third (33%) on the date that is twelve months after the effective date of the Merger and then as to one-third (33%) every twelve months thereafter; and

C. The Shareholder wishes to pool the Common Shares and Warrants that the Shareholder will receive or has received in connection with the Merger in accordance with the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreement herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the parties), the parties covenant and agree as follows:

1. The Shareholder hereby agrees with the Trustee that it will deliver or cause to be delivered to the Trustee, a certificate or certificates representing all of the Common Shares and Warrants that the Shareholder will receive or has received in connection with the Merger, which Common Shares and Warrants are to be held by the Trustee and released, subject to this Section 1, to the Shareholder on the following basis:

- (a) 33 1/3% of the Shareholder's Common Shares and Warrants on the date which is twelve months after the effective date of the Merger (the "**First Release Date**");
- (b) 33 1/3% of the Shareholder's Common Shares and Warrants on the date that is twelve months after the First Release Date; and
- (c) the remaining 33 1/3% of the Shareholder's Common Shares and Warrants on the date that is twenty-four months after the First Release Date.

2. The Shareholder shall be entitled, from time to time, to a letter or receipt from the Trustee stating the number of the Common Shares and Warrants represented by a certificate or certificates held for the Shareholder by the Trustee, subject to the terms of this Agreement, but such letter or receipt shall not be assignable.

3. If, during the period in which any of the Shareholder's Common Shares are retained in trust pursuant hereto, the Shareholder shall be entitled to vote such Common Shares at any meeting of the shareholders of the Company held during such period.

4. The Shareholder shall not sell, deal in, assign, transfer in any manner whatsoever, or agree to sell, deal in, assign or transfer in any manner whatsoever, any of the Shareholder's Common Shares or Warrants or beneficial ownership of or any interest in the Shareholder's Common Shares or Warrants and the Trustee shall not accept or acknowledge any transfer, assignment, declaration of trust or any other document evidencing a change in legal and beneficial ownership of or interest in the Shareholder's Common Shares or Warrants, prior to the release of such Common Shares or Warrants in accordance with the terms of this Agreement, except as may be required by reason of the death or bankruptcy of the Shareholder, in which case the Trustee shall hold the certificate or certificates for the Shareholder's Common Shares and Warrants subject to this Agreement for whatever person or persons, firm or corporation may thus become legally entitled thereto.

5. If, during the period in which any of the Shareholder's Common Shares are retained in trust pursuant hereto, any dividend, other than a dividend paid in common shares of the Company, is received by the Trustee in respect of the Shareholder's Common Shares, such dividend shall be paid or transferred forthwith to the Shareholder entitled thereto. Any common

shares of the Company received by way of dividend in respect of the Shareholder's Common Shares shall be dealt with as if they were Common Shares of the Shareholder subject to this Agreement.

6. The Trustee will not be liable for any action taken or omitted to be taken by it or on its behalf in good faith and in the exercise of its reasonable judgment. The Trustee may at any time consult with independent legal counsel of its own choice in any such matters, will have full and complete authorization and protection from any action taken or omitted by it hereunder in good faith and in the exercise of its reasonable judgment in accordance with the advice of such legal counsel on its part and will incur no liability for any delay reasonably required to obtain the advice of any such legal counsel. The Trustee will not be answerable for the default or misconduct of any agent or legal counsel employed or appointed, at its discretion, by it if such agent or legal counsel will have been selected with reasonable care.

7. The Shareholder and the Company agree from time to time and at all times hereafter well and truly to save, defend and keep harmless and fully indemnify the Trustee, its successors and assigns from and against all loss, costs, charges, suits, demands, claims, damages and expenses which the Trustee, its successors or assigns may at any time or times hereafter bear, sustain, suffer or be put unto for or by reason or on account of its acting or not acting pursuant to this Agreement or anything in any manner relating thereto or by reason of the Trustee's compliance in good faith with the terms hereof.

8. In case proceedings should hereafter be taken in any court respecting the Shareholder's Common Shares or Warrants, the Trustee will not be obliged to defend any such action or submit its rights to the court until it has been indemnified by other good and sufficient security in addition to the indemnity given in Section 7 against its costs of such proceedings.

9. The Shareholder acknowledges that the Trustee is associated with McMillan LLP which acts as legal counsel to the Company and the Shareholder agrees and consents to McMillan LLP's continued representation of the Company. If a dispute arises between the Company and a Shareholder under this Agreement which cannot be resolved, the Company and the Shareholder shall retain outside counsel with respect to such dispute, and neither the Company nor the Shareholder will advance any claim or start any proceedings against the Trustee or McMillan LLP in respect of such dispute.

10. The Shareholder is solely responsible for obtaining independent legal advice in connection with entering into this Agreement, and the Shareholder confirms that it has not relied on the Trustee or McMillan LLP in any manner in connection with its decision to enter into this Agreement.

11. The Trustee shall not be liable or accountable to the Shareholder with respect to any loss of investment or damages occasioned by the Shareholder as a result of the shares being held by the Trustee pursuant to the provisions of this Agreement.

12. The Trustee will have no responsibility in respect of loss of the certificate or certificates representing the Shareholder's Common Shares except the duty to exercise such care in the safekeeping thereof as it would exercise if the Shareholder's Common Shares belonged to the

Trustee. The Trustee may act on the advice of counsel but will not be responsible for acting or failing to act on the advice of counsel.

13. In the event that the Shareholder's Common Shares are attached, garnished or levied upon under any court order, or if the delivery of such property is stayed or enjoined by any court order or if any court order, judgment or decree is made or entered affecting such property or affecting any act by the Trustee, the Trustee will obey and comply with all writs, orders, judgments or decrees so entered or issued, whether with or without jurisdiction, notwithstanding any provision of this Agreement to the contrary. If the Trustee obeys and complies with any such writs, orders, judgments or decrees, it will not be liable to any of the parties hereto or to any other person, firm, association or corporation by reason of such compliance, notwithstanding that such writs, orders, judgments or decrees may be subsequently reversed, modified, annulled, set aside or vacated.

14. Except as herein otherwise provided, the Trustee is authorized and directed to disregard any and all notices and warnings which may be given to it by any of the parties hereto or by any other person, firm, association or corporation. It will, however, obey the order, judgment or decree of any court of competent jurisdiction, and it is hereby authorized to comply with and obey such orders, judgments or decrees and in case of such compliance, it shall not be liable by reason thereof to any of the parties hereto or to any other person, firm, association or corporation, even if thereafter any such order, judgment or decree may be reversed, modified, annulled, set aside or vacated.

15. If written notice of protest is made by the Shareholder and/or the Company to the Trustee to any action contemplated by the Trustee under this Agreement, and such notice sets out reasons for such protest, the Trustee may, at its sole discretion, continue to hold the Shareholder's Common Shares until the right to the documents is legally determined by a court of competent jurisdiction or otherwise.

16. The Trustee may resign as Trustee by giving not less than five (5) days' notice thereof to the Shareholder and the Company. The Shareholder and the Company may terminate the Trustee by giving not less than five (5) days' notice to the Trustee. The resignation or termination of the Trustee will be effective and the Trustee will cease to be bound by this Agreement on the date that is five (5) days after the date of receipt of the termination notice given hereunder or on such other date as the Trustee, the Shareholder and the Company may agree upon. All indemnities granted to the Trustee herein will survive the termination of this Agreement or the termination or resignation of the Trustee. In the event of termination or resignation of the Trustee for any reason, the Trustee shall, within that five (5) days' notice period deliver the Shareholder's Common Shares to the new trustee to be named by the Shareholder and the Company.

17. Notwithstanding anything to the contrary contained herein, in the event of any dispute arising between the Shareholder and/or the Company, this Agreement or any matters arising thereto, the Trustee may, in its sole discretion, deliver and interplead the Shareholder's Common Shares into court and such delivery and interpleading will be an effective discharge to the Trustee.

18. The Company will pay all of the compensation of the Trustee and will reimburse the Trustee for any and all reasonable expenses, disbursements and advances made by the Trustee in the performance of its duties hereunder, including reasonable fees, expenses and disbursements incurred by its counsel and any fees and disbursements incurred in the interpleader proceedings referred to in Section 17.

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

20. This Agreement may be executed in several parts in the same form and such part as so executed shall together constitute one original agreement, and such parts, if more than one, shall be read together and construed as if all the signing parties hereto had executed one copy of this Agreement.

21. This Agreement will be exclusively governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the parties have executed this Agreement effective as of the date first above written:

LM&S SERVICES INC.

Per: _____
Authorized Signatory

BREATHTEC BIOMEDICAL, INC.

Per: _____
Authorized Signatory

CANNABIX BREATHALYZER INC.

Per: _____
Authorized Signatory

BASANT MANAGEMENT

Per: _____
Authorized Signatory

SCHEDULE “A”

Shareholders

This is Schedule “A” to the above Voluntary Common Share Pooling Agreement.

	Shareholder	Total Shares
1	Cannabix Breathylyzer Inc.	3,000,000
2	Kulwant Malhi	2,000,000
3	Raj Attariwala	2,000,000
4	Rock Yost	500,000
5	Mike Costanzo	500,000
6	Gurjeet Sangha	750,000
7	Basant Management	1,000,000
8	Michael Sadhra	250,000