

SHARE EXCHANGE AGREEMENT

THIS AGREEMENT (this "Agreement") made effective as of the 2nd day of August, 2015 (the "Effective Date"),

AMONG:

DRAFT LABEL TECHNOLOGIES INC., a company formed pursuant to the laws of Canada and having an office for business located at 603-1 Renaissance Square, New Westminster, British Columbia, Canada V3M 0B6 ("Draft Label")

AND:

PDL USA INC., a corporation formed pursuant to the laws of the State of Delaware and having an office for business at 16192 Coastal Highway, Lewes, Delaware 19958 ("Draft Label")

AND:

The shareholders of PDL USA, each of whom is set forth on the signature page of this Agreement (the "PDL USA Shareholders")

WHEREAS:

- A. The PDL USA Shareholders own 2,965 shares of common stock, no par value per share, being 100% of the presently issued and outstanding PDL USA Shares;
- B. Draft Label is a company who is in the business of online fantasy sports; and
- C. The respective Boards of Directors of Draft Label and PDL USA deem it advisable and in the best interests of Draft Label and PDL USA that PDL USA become a wholly-owned subsidiary of Draft Label (the "Acquisition") pursuant to this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the premises and the mutual covenants, agreements, representations and warranties contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE 1 DEFINITIONS AND INTERPRETATION

Definitions

1.1 In this Agreement the following terms will have the following meanings:

- (a) "Acquisition" means the Acquisition, at the Closing, of PDL USA by Draft Label pursuant to this Agreement;
- (b) "Acquisition Shares" means the 2,965 Draft Label Common Shares to be issued to the PDL USA Shareholders at Closing pursuant to the terms of the Acquisition;

- (c) **“Agreement”** means this share purchase agreement among Draft Label, PDL USA, and the PDL USA Shareholders;
- (d) **“Closing”** means the completion, on the Closing Date, of the transactions contemplated hereby in accordance with Article 9 hereof;
- (e) **“Closing Date”** means the day on which all conditions precedent to the completion of the transaction as contemplated hereby have been satisfied or waived, but in any event no later than August 2, 2015;
- (f) **“PDL USA Accounts Payable and Liabilities”** means all accounts payable and liabilities of PDL USA, due and owing or otherwise constituting a binding obligation of PDL USA as of August 2, 2015;
- (g) **“PDL USA Accounts Receivable”** means all accounts receivable and other debts owing to PDL USA, as of August 2, 2015;
- (h) **“PDL USA Assets”** means the undertaking and all the property and assets of the PDL USA Business of every kind and description wheresoever situated including, without limitation, PDL USA Equipment, PDL USA Inventory, PDL USA Material Contracts, PDL USA Accounts Receivable, PDL USA Cash, PDL USA Intangible Assets and PDL USA Goodwill, and all credit cards, charge cards and banking cards issued to PDL USA;
- (i) **“PDL USA Bank Accounts”** means all of the bank accounts, lock boxes and safety deposit boxes of PDL USA or relating to the PDL USA Business;
- (j) **“PDL USA Business”** means all aspects of the business conducted by PDL USA;
- (k) **“PDL USA Cash”** means all cash on hand or on deposit to the credit of PDL USA on the Closing Date;
- (l) **“PDL USA Debt to Related Parties”** means the debts owed by PDL USA and its subsidiaries to the PDL USA Shareholders or to any family member thereof, or to any affiliate, director or officer of PDL USA or the PDL USA Shareholders;
- (m) **“PDL USA Equipment”** means all machinery, equipment, furniture, and furnishings used in the PDL USA Business;
- (n) **“PDL USA Goodwill”** means the goodwill of the PDL USA Business together with the exclusive right of Draft Label to represent itself as carrying on the PDL USA Business in succession of PDL USA subject to the terms hereof, and the right to use any words indicating that the PDL USA Business is so carried on including the right to use the name “PDL USA” or any variation thereof as part of the name of or in connection with the PDL USA Business or any part thereof carried on or to be carried on by Draft Label, the right to all corporate, operating and trade names associated with the PDL USA Business, or any variations of such names as part of or in connection with the PDL USA Business, all telephone listings and telephone advertising contracts, all lists of customers, books and records and other information relating to the PDL USA Business, all necessary licenses and authorizations and any other rights used in connection with the PDL USA Business;

- (p) **“PDL USA Intangible Assets”** means all of the intangible assets of PDL USA, including, without limitation, PDL USA Goodwill, all trademarks, logos, copyrights, designs, and other intellectual and industrial property of PDL USA and its subsidiaries;
- (q) **“PDL USA Material Contracts”** means the burden and benefit of and the right, title and interest of PDL USA in, to and under all trade and non-trade contracts, engagements or commitments, whether written or oral, to which PDL USA is entitled in connection with the PDL USA Business whereunder PDL USA is obligated to pay or entitled to receive the sum of \$10,000 or more including, without limitation, any pension plans, profit sharing plans, bonus plans, loan agreements, security agreements, indemnities and guarantees, any agreements with employees, lessees, licensees, managers, accountants, suppliers, agents, distributors, officers, directors, attorneys or others which cannot be terminated without liability on not more than one month's notice;
- (r) **“PDL USA Related Party Debts”** means the debts owed by the PDL USA Shareholders or by any family member thereof, or by any affiliate, director or officer of PDL USA or the PDL USA Shareholders, to PDL USA;
- (s) **“PDL USA Shares”** means all of the issued and outstanding shares of PDL USA equity stock;
- (t) **“Draft Label Accounts Payable and Liabilities”** means all accounts payable and liabilities of Draft Label, on a consolidated basis, due and owing or otherwise constituting a binding obligation of Draft Label and its subsidiaries as of August 2, 2015;
- (u) **“Draft Label Accounts Receivable”** means all accounts receivable and other debts owing to Draft Label, on a consolidated basis, as of August 2, 2015;
- (v) **“Draft Label Assets”** means the undertaking and all the property and assets of the Draft Label Business of every kind and description wheresoever situated including, without limitation, Draft Label Equipment, Draft Label Inventory, Draft Label Material Contracts, Draft Label Accounts Receivable, Draft Label Cash, Draft Label Intangible Assets and Draft Label Goodwill, and all credit cards, charge cards and banking cards issued to Draft Label;
- (w) **“Draft Label Bank Accounts”** means all of the bank accounts, lock boxes and safety deposit boxes of Draft Label and its subsidiaries or relating to the Draft Label Business;
- (x) **“Draft Label Business”** means all aspects of any business conducted by Draft Label and its subsidiaries;
- (y) **“Draft Label Cash”** means all cash on hand or on deposit to the credit of Draft Label and its subsidiaries on the Closing Date;
- (z) **“Draft Label Common Shares”** means the shares of common stock of Draft Label;
- (aa) **“Draft Label Debt to Related Parties”** means the debts owed by Draft Label to any affiliate, director or officer of Draft Label;

- (bb) **“Draft Label Goodwill”** means the goodwill of the Draft Label Business including the right to all corporate, operating and trade names associated with the Draft Label Business, or any variations of such names as part of or in connection with the Draft Label Business, all books and records and other information relating to the Draft Label Business, all necessary licenses and authorizations and any other rights used in connection with the Draft Label Business;
- (cc) **“Draft Label Intangible Assets”** means all of the intangible assets of Draft Label and its subsidiaries, including, without limitation, Draft Label Goodwill, all trademarks, logos, copyrights, designs, and other intellectual and industrial property of Draft Label and its subsidiaries;
- (dd) **“Draft Label Material Contracts”** means the burden and benefit of and the right, title and interest of Draft Label and its subsidiaries in, to and under all trade and non-trade contracts, engagements or commitments, whether written or oral, to which Draft Label or its subsidiaries are entitled whereunder Draft Label or its subsidiaries are obligated to pay or entitled to receive the sum of \$10,000 or more including, without limitation, any pension plans, profit sharing plans, bonus plans, loan agreements, security agreements, indemnities and guarantees, any agreements with employees, lessees, licensees, managers, accountants, suppliers, agents, distributors, officers, directors, attorneys or others which cannot be terminated without liability on not more than one month's notice; and
- (ee) **“Place of Closing”** means the offices of Dean Law Corporation, 900-555 Burrard Street, Vancouver, British Columbia, Canada, or such other place as Draft Label and PDL USA may mutually agree upon.

Any other terms defined within the text of this Agreement will have the meanings so ascribed to them.

Captions and Section Numbers

1.2 The headings and section references in this Agreement are for convenience of reference only and 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 provision thereof.

Section References

1.3 Any reference to a particular “Article”, “section”, “paragraph”, “clause” or other subdivision is to the particular Article, section, clause or other subdivision of this Agreement and any reference to a Schedule by letter will mean the appropriate Schedule attached to this Agreement and by such reference the appropriate Schedule is incorporated into and made part of this Agreement.

Severability of Clauses

1.4 If any part of this Agreement is declared or held to be invalid for any reason, such invalidity will not affect the validity of the remainder which will continue in full force and effect and be construed as if this Agreement had been executed without the invalid portion, and it is hereby declared the intention of the parties that this Agreement would have been executed without reference to any portion which may, for any reason, be hereafter declared or held to be invalid.

**ARTICLE 2
THE ACQUISITION**

Sale of Shares

2.1 The PDL USA Shareholders hereby agree to sell to Draft Label the PDL USA Shares in exchange for the Acquisition Shares on the Closing Date and to transfer to Draft Label on the Closing Date a 100% undivided interest in and to the PDL USA Shares free from all liens, mortgages, charges, pledges, encumbrances or other burdens with all rights now or thereafter attached thereto.

Allocation of Consideration

2.2 The Acquisition Shares shall be allocated to the PDL USA Shareholders on the basis of one Acquisition Share for each one PDL USA Share held by a PDL USA Shareholder as set forth in Schedule 2.1 attached hereto.

**ARTICLE 3
REPRESENTATIONS AND WARRANTIES
OF Draft Label**

Representations and Warranties

3.1 Draft Label hereby represents and warrants in all material respects to PDL USA and the PDL USA Shareholders, with the intent that PDL USA and the PDL USA Shareholders will rely thereon in entering into this Agreement and in approving and completing the transactions contemplated hereby, that:

Draft Label- Corporate Status and Capacity

- (a) Incorporation. Draft Label is a corporation duly incorporated and validly subsisting under the laws of the State of Delaware and in good standing with the office of the Secretary of State for the State of Delaware;
- (b) Carrying on Business. Draft Label conducts the business described and does not conduct any other business. Draft Label is duly authorized to carry on such business in the State of Delaware. The nature of the Draft Label Business does not require Draft Label to register or otherwise be qualified to carry on business in any other jurisdictions;
- (c) Corporate Capacity. Draft Label has the corporate power, capacity and authority to own the Draft Label Assets and to enter into and complete this Agreement;

Draft Label- Capitalization

- (d) Authorized Capital. The authorized capital of Draft Label consists of 10,000 Draft Label Common Shares, \$0.01 par value, of which 2,965 Draft Label Common Shares are presently issued and outstanding; DRAFT – unlimited, no par value
- (e) No Option, Warrant or Other Right. No person, firm or corporation has any agreement, option, warrant, pre-emptive right or any other right capable of becoming an agreement, option, warrant or right for the acquisition of Draft Label Common Shares or for the

purchase, subscription or issuance of any of the unissued shares in the capital of Draft Label;

Draft Label- Records and Financial Statements

- (f) Charter Documents. The charter documents of Draft Label and its subsidiaries have not been altered since the incorporation of each, respectively, except as filed in the record books of Draft Label or its subsidiaries, as the case may be;
- (g) Corporate Minute Books. The corporate minute books of Draft Label and its subsidiaries are complete and each of the minutes contained therein accurately reflect the actions that were taken at a duly called and held meeting or by consent without a meeting. All actions by Draft Label and its subsidiaries which required director or shareholder approval are reflected on the corporate minute books of Draft Label and its subsidiaries. Draft Label and its subsidiaries are not in violation or breach of, or in default with respect to, any term of their respective Certificates of Incorporation (or other charter documents) or by-laws.
- (h) Draft Label Bank Accounts. All of the Draft Label Bank Accounts, their location, numbers and the authorized signatories thereto will be provided to PDL USA following the Closing;

Draft Label- Acquisition Shares

- (i) Acquisition Shares. The Acquisition Shares when delivered to the PDL USA Shareholders pursuant to the Acquisition shall be validly issued and outstanding as fully paid and non-assessable shares and the Acquisition Shares shall be transferable upon the books of Draft Label, in all cases subject to the provisions and restrictions of all applicable securities laws.

Non-Merger and Survival

3.2 The representations and warranties of Draft Label contained herein will be true at and as of Closing in all material respects as though such representations and warranties were made as of such time. Notwithstanding the completion of the transactions contemplated hereby, the waiver of any condition contained herein (unless such waiver expressly releases a party from any such representation or warranty) or any investigation made by PDL USA or the PDL USA Shareholders, the representations and warranties of Draft Label shall survive the Closing.

Indemnity

3.3 Draft Label agrees to indemnify and save harmless PDL USA and the PDL USA Shareholders from and against any and all claims, demands, actions, suits, proceedings, assessments, judgments, damages, costs, losses and expenses, including any payment made in good faith in settlement of any claim (subject to the right of Draft Label to defend any such claim), resulting from the breach by it of any representation or warranty made under this Agreement or from any misrepresentation in or omission from any certificate or other instrument furnished or to be furnished by Draft Label to PDL USA or the PDL USA Shareholders hereunder.

**ARTICLE 4
COVENANTS OF Draft Label**

Covenants

- 4.1 Draft Label covenants and agrees with PDL USA and the PDL USA Shareholders that it will:
- (a) Conduct of Business. Until the Closing, conduct the Draft Label Business diligently and in the ordinary course consistent with the manner in which the Draft Label Business generally has been operated up to the date of execution of this Agreement;
 - (b) Preservation of Business. Until the Closing, use its best efforts to preserve the Draft Label Business and the Draft Label Assets and, without limitation, preserve for PDL USA, Draft Label's relationships with any third party having business relations with them;
 - (c) Access. Until the Closing, give PDL USA, the PDL USA Shareholders, and their representatives full access to all of the properties, books, contracts, commitments and records of Draft Label, and furnish to PDL USA, the PDL USA Shareholders and their representatives all such information as they may reasonably request; and
 - (d) Procure Consents. Until the Closing, take all reasonable steps required to obtain, prior to Closing, any and all third party consents required to permit the Acquisition and to preserve and maintain the Draft Label Assets notwithstanding the change in control of PDL USA arising from the Acquisition.

Authorization

4.2 Draft Label hereby agrees to authorize and direct any and all federal, state, municipal, foreign and international governments and regulatory authorities having jurisdiction respecting Draft Label and its subsidiaries to release any and all information in their possession respecting Draft Label and its subsidiaries to the PDL USA Shareholders. Draft Label shall promptly execute and deliver to the PDL USA Shareholders any and all consents to the release of information and specific authorizations which the PDL USA Shareholders reasonably requires to gain access to any and all such information.

Survival

4.3 The covenants set forth in this Article shall survive the Closing for the benefit of PDL USA and the PDL USA Shareholders.

**ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF
THE PDL USA SHAREHOLDERS**

Representations and Warranties

5.1 The PDL USA Shareholders hereby represent and warrant in all material respects to Draft Label, with the intent that it will rely thereon in entering into this Agreement and in approving and completing the transactions contemplated hereby, that:

PDL USA- Company Status and Capacity

- (a) Formation. PDL USA is a corporation duly incorporated and validly subsisting under the laws of the State of Wyoming and in good standing with the office of the Secretary of State for the State of Wyoming; DELWARE
- (b) Carrying on Business. PDL USA carries on the PDL USA Business primarily in the State of Wyoming as well as other jurisdictions in the world. The nature of the PDL USA Business does not require PDL USA to register or otherwise be qualified to carry on business in any jurisdiction;
- (c) Legal Capacity. PDL USA has the legal power, capacity and authority to own PDL USA Assets, to carry on the Business of PDL USA and to enter into and complete this Agreement;

PDL USA- Capitalization

- (d) Authorized Capital. The authorized capital of PDL USA consists of 10,000 shares of common stock, no par value per share of which 2,965 are issued and outstanding;
- (e) Ownership of PDL USA Shares. The issued and outstanding shares of PDL USA common stock will on Closing consist of 2,965 shares of common stock, no par value per share, (being the PDL USA Shares), which shares on Closing shall be validly issued and outstanding as fully paid and non-assessable shares. The PDL USA Shareholders will be at Closing the registered and beneficial owners of the 2,965 PDL USA Shares. The PDL USA Shares owned by the PDL USA Shareholders will on Closing be free and clear of any and all liens, charges, pledges, encumbrances, restrictions on transfer and adverse claims whatsoever;
- (f) Options, Warrants or Other Rights. No person, firm or corporation has any agreement, option, warrant, pre-emptive right or any other right capable of becoming an agreement, option, warrant or right for the acquisition of PDL USA Shares held by the PDL USA Shareholders or for the purchase, subscription or issuance of any of the unissued shares in the capital of PDL USA;
- (g) No Restrictions. There are no restrictions on the transfer, sale or other disposition of PDL USA Shares contained in the charter documents of PDL USA or under any agreement;

PDL USA- Records and Financial Statements

- (h) Charter Documents. The charter documents of PDL USA have not been altered since its formation date, except as filed in the record books of PDL USA;
- (i) Minute Books. The minute books of PDL USA are complete and each of the minutes contained therein accurately reflect the actions that were taken at a duly called and held meeting or by consent without a meeting. All actions by PDL USA which required director or shareholder approval are reflected on the corporate minute books of PDL USA. PDL USA is not in violation or breach of, or in default with respect to, any term of its Certificate of Incorporation (or other charter documents) or by-laws.

- (j) PDL USA Financial Statements. The financial statements of PDL USA present fairly, in all material respects, the assets and liabilities (whether accrued, absolute, contingent or otherwise) of PDL USA as of the date thereof, and the sales and earnings of the PDL USA Business during the periods covered thereby, in all material respects, and have been prepared in substantial accordance with generally accepted accounting principles consistently applied;
- (k) PDL USA Accounts Payable and Liabilities. There are no material liabilities, contingent or otherwise, of PDL USA reflected in the PDL USA Financial Statements except those incurred in the ordinary course of business since the date of the PDL USA Financial Statements, and PDL USA has not guaranteed or agreed to guarantee any debt, liability or other obligation of any person, firm or corporation;
- (l) PDL USA Accounts Receivable. All the PDL USA Accounts Receivable result from bona fide business transactions and services actually rendered without, to the knowledge and belief of the PDL USA Shareholders, any claim by the obligor for set-off or counterclaim;

PDL USA- Income Tax Matters

- (m) Tax Returns. All tax returns and reports of PDL USA required by law to be filed have been filed and are true, complete and correct, and any taxes payable in accordance with any return filed by PDL USA or in accordance with any notice of assessment or reassessment issued by any taxing authority have been so paid;
- (n) Current Taxes. Adequate provisions have been made for taxes payable for the current period for which tax returns are not yet required to be filed and there are no agreements, waivers, or other arrangements providing for an extension of time with respect to the filing of any tax return by, or payment of, any tax, governmental charge or deficiency by PDL USA. PDL USA is not aware of any contingent tax liabilities or any grounds which would prompt a reassessment including aggressive treatment of income and expenses in filing earlier tax returns;

PDL USA- Applicable Laws and Legal Matters

- (o) Licenses. PDL USA holds all licenses and permits as may be requisite for carrying on the PDL USA Business in the manner in which it has heretofore been carried on, which licenses and permits have been maintained and continue to be in good standing except where the failure to obtain or maintain such licenses or permits would not have a material adverse effect on the PDL USA Business;
- (p) Applicable Laws. PDL USA has not been charged with or received notice of breach of any laws, ordinances, statutes, regulations, by-laws, orders or decrees to which they are subject or which applies to them the violation of which would have a material adverse effect on the PDL USA Business, and, to the knowledge of the PDL USA Shareholders, PDL USA is not in breach of any laws, ordinances, statutes, regulations, by-laws, orders or decrees the contravention of which would result in a material adverse impact on the PDL USA Business;
- (q) Pending or Threatened Litigation. There is no material litigation or administrative or governmental proceeding pending or threatened against or relating to PDL USA, the PDL

USA Business, or any of the PDL USA Assets, nor do the PDL USA Shareholders have any knowledge of any deliberate act or omission of PDL USA that would form any material basis for any such action or proceeding;

- (r) No Bankruptcy. PDL USA has not made any voluntary assignment or proposal under applicable laws relating to insolvency and bankruptcy and no bankruptcy petition has been filed or presented against PDL USA and no order has been made or a resolution passed for the winding-up, dissolution or liquidation of PDL USA;
- (s) Finder's Fees. PDL USA is not a party to any agreement which provides for the payment of finder's fees, brokerage fees, commissions or other fees or amounts which are or may become payable to any third party in connection with the execution and delivery of this Agreement and the transactions contemplated herein;

Execution and Performance of Agreement

- (t) Authorization and Enforceability. The execution and delivery of this Agreement, and the completion of the transactions contemplated hereby, have been duly and validly authorized by all necessary corporate action on the part of PDL USA;
- (u) No Violation or Breach. The execution and performance of this Agreement will not
 - (i) violate the charter documents of PDL USA or result in any breach of, or default under, any loan agreement, mortgage, deed of trust, or any other agreement to which PDL USA is a party,
 - (ii) give any person any right to terminate or cancel any agreement including, without limitation, PDL USA Material Contracts, or any right or rights enjoyed by PDL USA,
 - (iii) result in any alteration of PDL USA obligations under any agreement to which PDL USA is a party including, without limitation, the PDL USA Material Contracts,
 - (iv) result in the creation or imposition of any lien, encumbrance or restriction of any nature whatsoever in favor of a third party upon or against the PDL USA Assets,
 - (v) result in the imposition of any tax liability to PDL USA relating to PDL USA Assets or the PDL USA Shares, or
 - (vi) violate any court order or decree to which either PDL USA is subject;

PDL USA Assets - Ownership and Condition

- (v) Business Assets. The PDL USA Assets, comprise all of the property and assets of the PDL USA Business, and neither the PDL USA Shareholders nor any other person, firm or corporation owns any assets used by PDL USA in operating the PDL USA Business, whether under a lease, rental agreement or other arrangement;

- (w) Title. PDL USA is the legal and beneficial owner of the PDL USA Assets, free and clear of all mortgages, liens, charges, pledges, security interests, encumbrances or other claims whatsoever;
- (x) No Option. No person, firm or corporation has any agreement or option or a right capable of becoming an agreement for the purchase of any of the PDL USA assets;
- (y) PDL USA Insurance Policies. PDL USA maintains the public liability insurance and insurance against loss or damage to the PDL USA Assets and the PDL USA Business;
- (z) PDL USA Material Contracts. PDL USA has no material contracts;
- (aa) No Default. There has not been any default in any material obligation of PDL USA or any other party to be performed under any of PDL USA Material Contracts, each of which is in good standing and in full force and effect and unamended and PDL USA is not aware of any default in the obligations of any other party to any of the PDL USA Material Contracts;
- (bb) No Compensation on Termination. There are no agreements, commitments or understandings relating to severance pay or separation allowances on termination of employment of any employee of PDL USA. PDL USA is not obliged to pay benefits or share profits with any employee after termination of employment except as required by law;

PDL USA Goodwill and Other Assets

- (cc) PDL USA Goodwill. PDL USA carries on the PDL USA Business only under the name "PDL USA Group" and variations thereof and under no other business or trade names. The PDL USA Shareholders do not have any knowledge of any infringement by PDL USA of any patent, trademark, copyright or trade secret;

The Business of PDL USA

- (dd) Maintenance of Business. Since the date of the PDL USA Financial Statements, the PDL USA Business has been carried on in the ordinary course and PDL USA has not entered into any material agreement or commitment except in the ordinary course; and

Non-Merger and Survival

5.2 The representations and warranties of PDL USA contained herein will be true at and as of Closing in all material respects as though such representations and warranties were made as of such time. Notwithstanding the completion of the transactions contemplated hereby, the waiver of any condition contained herein (unless such waiver expressly releases a party from any such representation or warranty) or any investigation made by Draft Label, the representations and warranties of PDL USA shall survive the Closing.

Indemnity

5.3 The PDL USA Shareholders agree to indemnify and save harmless Draft Label and each of its shareholders from and against any and all claims, demands, actions, suits, proceedings, assessments, judgments, damages, costs, losses and expenses, including any payment made in good faith in settlement

of any claim (collectively, the “Claims”) (subject to the right of the PDL USA Shareholders to defend any such claim), resulting from the breach by any of them of any representation or warranty of such party made under this Agreement or from any misrepresentation in or omission from any certificate or other instrument furnished or to be furnished by PDL USA or the PDL USA Shareholders to Draft Label hereunder; provided, however, the PDL USA Shareholders shall not be required to indemnify Draft Label for any such Claims in excess of the value of the PDL USA Shares.

ARTICLE 6 CLOSING

Closing

6.1 The Acquisition and the other transactions contemplated by this Agreement will be closed at the Place of Closing on Closing Date in accordance with the closing procedure set out in this Article.

Documents to be Delivered by PDL USA

6.2 On or before the Closing, PDL USA and the PDL USA Shareholders will deliver or cause to be delivered to Draft Label:

- (a) the original or certified copies of the charter documents of PDL USA, including amendments thereof, and all corporate records documents and instruments of PDL USA, the corporate seal of PDL USA and all books and accounts of PDL USA;
- (b) all reasonable consents or approvals required to be obtained by PDL USA for the purposes of completing the Acquisition and preserving and maintaining the interests of PDL USA under any and all PDL USA Material Contracts and in relation to PDL USA Assets;
- (c) certified copies of such resolutions and minutes of the shareholders and directors of PDL USA as are required to be passed to authorize the execution, delivery and implementation of this Agreement;
- (d) such other documents as Draft Label may reasonably require to give effect to the terms and intention of this Agreement.

Documents to be Delivered by Draft Label

6.3 On or before the Closing, Draft Label shall deliver or cause to be delivered to PDL USA and the PDL USA Shareholders:

- (a) share certificates representing the Acquisition Shares duly registered in the names of the holders of shares of PDL USA Common Stock;
- (b) certified copies of such resolutions of the directors of Draft Label as are required to be passed to authorize the execution, delivery and implementation of this Agreement;
- (c) certificate of incorporation and good standing certificate of Draft Label; and

- (d) such other documents as PDL USA may reasonably require to give effect to the terms and intention of this Agreement.

ARTICLE 7 GENERAL PROVISIONS

Arbitration

7.1 The parties hereto shall attempt to resolve any dispute, controversy, difference or claim arising out of or relating to this Agreement by negotiation in good faith. If such good negotiation fails to resolve such dispute, controversy, difference or claim within fifteen days after any party delivers to any other party a notice of its intent to submit such matter to arbitration, then any party to such dispute, controversy, difference or claim may submit such matter to arbitration in the City of Dover, Delaware.

Notice

7.2 Any notice required or permitted to be given by any party will be deemed to be given when in writing and delivered to the address for notice of the intended recipient by personal delivery, prepaid single certified or registered mail, or telecopier. Any notice delivered by mail shall be deemed to have been received on the fourth business day after and excluding the date of mailing, except in the event of a disruption in regular postal service in which event such notice shall be deemed to be delivered on the actual date of receipt. Any notice delivered personally or by telecopier shall be deemed to have been received on the actual date of delivery.

Addresses for Service

7.3 The address for service of notice of each of the parties hereto is as follows:

- (a) Draft Label:

603-1 Renaissance Square
New Westminster, British Columbia, Canada V3M 0B6
Attention: President

- (b) PDL USA or the PDL USA Shareholders:

16192 Coastal Highway
Lewes, Delaware 19958
Attention: President

Change of Address

7.4 Any party may, by notice to the other parties change its address for notice to some other address in North America and will so change its address for notice whenever the existing address or notice ceases to be adequate for delivery by hand. A post office box may not be used as an address for service.

Further Assurances

7.5 Each of the parties will execute and deliver such further and other documents and do and perform such further and other acts as any other party may reasonably require to carry out and give effect to the terms and intention of this Agreement.

Time of the Essence

7.6 Time is expressly declared to be the essence of this Agreement.

Entire Agreement

7.7 The provisions contained herein constitute the entire agreement among PDL USA, the PDL USA Shareholders and Draft Label respecting the subject matter hereof and supersede all previous communications, representations and agreements, whether verbal or written, among PDL USA, the PDL USA Shareholders and Draft Label with respect to the subject matter hereof.

Enurement

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

Assignment

7.9 This Agreement is not assignable without the prior written consent of the parties hereto.

Counterparts

7.10 This Agreement may be executed in counterparts, each of which when executed by any party will be deemed to be an original and all of which counterparts will together constitute one and the same Agreement. Delivery of executed copies of this Agreement by telecopier will constitute proper delivery, provided that originally executed counterparts are delivered to the parties within a reasonable time thereafter.

Applicable Law

7.11 This Agreement shall be enforced, governed by and construed in accordance with the laws of the State of Delaware applicable to agreements made and to be performed entirely within such state, without regard to the principles of conflict of laws. The parties hereto hereby submit to the exclusive jurisdiction of the United States federal courts located in Dover, Delaware with respect to any dispute arising under this Agreement, the agreements entered into in connection herewith or the transactions contemplated hereby or thereby. All parties irrevocably waive the defense of an inconvenient forum to the maintenance of such suit or proceeding. All parties further agree that service of process upon a party mailed by first class mail shall be deemed in every respect effective service of process upon the party in any such suit or proceeding. Nothing herein shall affect either party's right to serve process in any other manner permitted by law. All parties agree that a final non-appealable judgment in any such suit or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on such judgment or in any other lawful manner. The party which does not prevail in any dispute arising under this Agreement shall be responsible for all fees and expenses, including attorneys' fees, incurred by the prevailing party in connection with such dispute.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF the parties have executed this Agreement effective as of the day and year first above written.

DRAFT Label INC.

Per: /s/ Mark Tadros

Mark Tadros
President & Chief Executive Officer

PDL USA LEAGUE, INC.

Per: /s/ Mark Tadros

Mark Tadros
President & Chief Executive Officer

SHAREHOLDERS OF PDL USA LEAGUE, INC.

Name of Shareholder	Number of PDL USA Common Shares Owned	Ownership Percentage
<u>/s/ Mark Tadros</u> Mark Tadros	283	9.54%
<u>/s/ Jeffrey Jang</u> Jeffrey Jang	35	1.18%
<u>/s/ Binu Koshy</u> Binu Koshy	354	11.94%
<u>/s/ Kapil Nanalal</u> Kapil Nanalal	291	9.81%
<u>/s/ Ray Walia</u> Ray Walia	15	0.51%
<u>/s/ Peter Smyrniotis</u> Peter Smyrniotis	15	0.51%
<u>/s/ Tom Mayenknecht</u> Tom Mayenknecht	15	0.51%
<u>/s/ Nick Oostveen</u> Gravit-e Technologies Print Name: Nick Oostveen Print Title: President	50	1.69%
<u>/s/ Greg Hall</u> Water Street Assets Inc. Print Name: Greg Hall Print Title: President, Director	127	4.28%

Name of Shareholder	Number of PDL USA Common Shares Owned	Ownership Percentage
<u>/s/ Shafin Tejani</u> Victory Squares Labs Print Name: Shafin Tejani Print Title: Director	940	31.70%
<u>/s/ Mike Rowan</u> 1706919 Alberta Ltd. Print Name: Mike Rowan Print Title: President	35	1.18%
<u>/s/ Manny Padda</u> 0899014 B.C. Ltd. Print Name: Manny Padda Print Title: Managing Director	805	27.15%
TOTAL	2,965	100.00%

Schedule 2.1 – Acquisition Shares

	PDL USA Shares	Acquisition Shares
Mark Tadros	283	283
Jeffrey Jang	35	35
Binu Koshy	354	354
Kapil Nanalal	291	291
Ray Walia	15	15
Peter Smyrontis	15	15
Tom Mayenknecht	15	15
Gravit-e Technologies	50	50
Water Street Assets Inc.	127	127
Victory Squares Labs	1,297	1,297
1706919 Alberta Ltd.	35	35
0899014 B.C. Ltd.	805	805
Total	2,965	2,965