

**PURCHASE OF SHARES  
OF  
WEB 3.0 HOLDINGS INC.  
BY  
LOOKING GLASS LABS INC.  
FROM  
THE SHAREHOLDERS OF  
WEB 3.0 HOLDINGS INC.**

—  
**SHARE PURCHASE AGREEMENT**

August 9, 2022

## SHARE PURCHASE AGREEMENT

**THIS SHARE PURCHASE AGREEMENT** is made as of August 9, 2022,

**AMONG:**

**LOOKING GLASS LABS LTD.**, a body corporate incorporated under the laws of the Province of British Columbia (the “**Purchaser**”);

**AND:**

**WEB 3.0 HOLDINGS CORP.**, a body corporate incorporated under the laws of the Province of Ontario (“**Company**”);

**AND:**

**EACH OF THOSE ADDITIONAL PARTIES LISTED IN SCHEDULE “A” HERETO** (collectively referred to as the “**Shareholders**”).

**WHEREAS:**

- A. The Shareholders legally and beneficially own all of the issued and outstanding equity securities of the Company; and
- B. The Shareholders desire to sell, and the Purchaser desires to buy, all of the issued and outstanding equity securities of the Company, upon the terms and conditions set forth herein;

**NOW THEREFORE**, in consideration of the mutual covenants and promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

### **ARTICLE 1 - INTERPRETATION**

#### **1.1 Definitions**

Unless otherwise defined herein or the context otherwise requires, the following terms will have the following meanings in this Agreement:

“**Affiliate**” of a Person means a Person that controls, is controlled by or is under common control with the subject Person, and for the purpose of this definition, a Person will control another Person if such Person has the power to direct or cause the direction of the management and policies of the other Person, whether directly or indirectly, and whether by ownership of shares or other equity interests, the holding of voting or contractual rights, by being the managing partner of a general partnership or the general partner of a limited partnership, or otherwise.

“**Agreement**” means this Share Purchase Agreement, together with any and all Schedules attached hereto, as the same may be amended, supplemented, restated and replaced in accordance with the provisions hereof from time to time.

“**Alternative Transaction**” means a bid or offer to acquire any of the outstanding equity securities of the Company or any proposal, offer or agreement for a merger, consolidation, amalgamation, arrangement,

recapitalization, liquidation, dissolution, reorganization or similar transaction or other business combination involving the Company or any proposal, offer or agreement to acquire any of the assets of the Company other than in the Ordinary Course.

**“Applicable Law”** means:

- (a) any domestic or foreign statute, law (including common and civil law), code, ordinance, rule, regulation, restriction or by-law (zoning or otherwise);
- (b) any judgement, order, writ, injunction, decision, ruling, decree or award; and
- (c) to the extent they have the force of law, policies, guidelines, notices and protocols;

of any Governmental Authority, binding on or affecting the Person referred to in the context in which the term is used or binding on or affecting the property of that Person.

**“Books and Records”** of a Person means all books, records, files and papers of such Person, including financial and Tax working papers, financial and Tax books and records, business reports, business plans and projections, personnel and employment records, minute and share certificate books, and all copies and recordings of the foregoing including all data and information stored on computer-related media.

**“Business Day”** means any day other than a Saturday, a Sunday or a day on which banks are required to be closed in Vancouver, British Columbia and Toronto, Ontario.

**“Canadian Securities Laws”** means, collectively, the applicable securities legislation and related rules, regulations, instruments and published policy statements of each of the applicable Provinces and Territories of Canada.

**“Claim”** means:

- (a) any suit, action, dispute, investigation, claim, arbitration, order, summons, citation, directive, ticket, charge, demand or prosecution, whether legal or administrative;
- (b) any other proceeding; or
- (c) any appeal or application for review;

at law or in equity or before or by any Governmental Authority.

**“Closing”** means the completion of the Transaction.

**“Closing Date”** means August 31, 2022 or such other date as may be agreed to by the Purchaser and the Company in writing.

**“Company Assets”** means all undertakings, property, assets, rights and interests of the Company of every kind and description wherever located, including the Company’s interest in the Intellectual Property.

**“Company Business”** means the business carried on currently and prior to the date of this Agreement by the Company.

**“Company Material Contracts”** has the meaning attributed to such term in Section 4.2(p).

“**Company Shares**” means any Equity Interests in the Company.

“**Confidential Information**” has the meaning attributed to such term in Section 7.1(a).

“**Consideration Shares**” means the Purchaser common shares to be issued to the Shareholders pursuant to Section 2.2.

“**Constating Documents**” means, with respect to any Person, its articles or certificate of incorporation, amendment, amalgamation or continuance, memorandum of association, letters patent, supplementary letters patent, by-laws, partnership agreement, limited liability company agreement or other similar document, and all unanimous shareholder agreements, other shareholder agreements, voting trusts, pooling agreements and similar Contracts, arrangements and understandings applicable to the Person’s Equity Interests, all as amended, supplemented, restated and replaced from time to time.

“**Contract**” means any agreement, contract, indenture, lease, deed of trust, licence, option, undertaking, promise or any other commitment or obligation, whether oral or written, express or implied.

“**Creditors’ Rights**” has the meaning attributed to such term in Section 4.1(f).

“**Direct Claim**” has the meaning attributed to such term in Section 6.5(a).

“**Employee Plan**” means any retirement, pension, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, incentive or other employee compensation or benefit plan, arrangement, policy, program or practice (whether provided on a pre- or post-retirement basis) which is maintained, or otherwise contributed to or required to be contributed to, by a Person for the benefit of any present or former employees, officers or directors of such Person.

“**Encumbrance**” means any encumbrance, lien, charge, hypothec, pledge, mortgage, title retention agreement, security interest of any nature, adverse claim, exception, reservation, easement, right of occupation, option, right of pre-emption, privilege or any matter capable of registration against title or any Contract to create any of the foregoing.

“**Equity Interests**” means, with respect to any Person, any and all present and future shares, units, trust units, partnership or other interests, participations or other equivalent rights in that Person’s equity or capital, however designated and whether voting or non-voting.

“**Governmental Authority**” means any domestic or foreign government, whether federal, provincial, state, territorial, local, regional, municipal, or other political jurisdiction, and any agency, authority, instrumentality, court, tribunal, board, commission, bureau, arbitrator, arbitration tribunal or other tribunal, or any quasi-governmental entity, insofar as it exercises a legislative, judicial, regulatory, administrative, expropriation or taxing power or function of government.

“**IFRS**” means the International Financial Reporting Standards issued or adopted as Canadian generally accepted accounting principles from time to time.

“**Increased Amount**” has the meaning attributed to such term in Section 6.10(a).

“**Indemnified Party**” has the meaning attributed to such term in Section 6.4.

“**Indemnifying Party**” has the meaning attributed to such term in Section 6.4.

“**Insolvency Proceedings**” means any formal insolvency proceedings, whether in or out of court, including proceedings or steps leading to any form of bankruptcy, liquidation, administration, receivership, arrangement or scheme with creditors, moratorium, stay or limitation of creditors’ rights, interim or provisional supervision by a court or court appointee, winding-up or striking-off, or any distress, execution, commercial rent arrears recovery or other process levied or exercised or any other analogous proceedings in any other jurisdiction.

“**Intellectual Property**” means the Company’s proprietary retail technology platform comprised of retail-focused engagement and optimization assets, including crossover digital identity code scripts and digital distribution product frameworks.

“**Losses**” means, in respect of any matter, all Claims, demands, losses, damages, liabilities, deficiencies, costs and expenses (including all legal and other professional fees and disbursements, interest, penalties and amounts paid in settlement) arising as a consequence of that matter, including any reduction in the value of the Purchased Shares or the Consideration Shares (as applicable) resulting from a misrepresentation or breach of warranty or covenant or other obligation, but excluding, in all cases, Tax.

“**Material**” means of such a nature or amount as would reasonably be regarded as significant in relation to the business of a Person or in relation to the capital, prospects, condition (financial or otherwise) or results of operation of such Person, and “**Materially**” has a corresponding meaning.

“**Material Adverse Change**” or “**Material Adverse Effect**” means any change or effect that individually or when taken together with all other changes or effects that have occurred during any relevant period of time before the determination of the occurrence of that change or effect is or is reasonably likely to be Materially adverse to the business, operations, assets, liabilities, capital, prospects, condition (financial or otherwise) or results of operation of a Person; except to the extent that such change or effect results from or is caused by (i) worldwide, national or local conditions or circumstances, whether they are economic, political, regulatory or otherwise, including war, armed hostilities, acts of terrorism, emergencies, crises and natural disasters, (ii) changes in the markets or industry in which such Person operates; (iii) the announcement of this Agreement and the Transaction; or (iv) any act or omission of such Person prior to the Closing Date taken with the prior consent or at the request of another Party to this Agreement.

“**Notice**” has the meaning attributed to such term in Section 7.12.

“**Ordinary Course**” means, with respect to an action taken by a Person, that the action is consistent with the past practices of the Person and is taken in the normal day-to-day operations of the Person.

“**Parties**” means, collectively, the Purchaser, the Company and the Shareholders, and “**Party**” means any of them.

“**Permitted Encumbrances**” means (i) Encumbrances for Taxes not yet due and delinquent, and (ii) easements, encroachments and other minor imperfections of title which do not, individually or in the aggregate, detract from the value of or impair the Company Business or the Purchaser Business, as applicable.

“**Person**” is to be broadly interpreted and includes any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal

representative, regulatory body or agency, government or governmental agency, authority or entity, however designated or constituted.

“**Purchased Shares**” means the Company Shares to be purchased and sold in the Transaction pursuant to Section 2.1.

“**Purchaser Assets**” means all undertakings, property, assets, rights and interests of the Purchaser of every kind and description wherever located.

“**Purchaser Business**” means the business of the Purchaser, as described in the Purchaser Public Disclosure Record.

“**Purchaser Financial Statements**” means the Purchaser’s financial statements included in the Purchaser Public Disclosure Record.

“**Purchaser Material Contracts**” has the meaning attributed to such term in Section 4.3(p).

“**Purchaser Public Disclosure Record**” means all documents and information filed by the Purchaser on and available at [www.sedar.com](http://www.sedar.com).

“**Purchaser Shares**” means common shares in the capital of the Purchaser.

“**Representatives**” means, with respect to any Party, its Affiliates and, if applicable, its and their respective directors, officers, employees, agents and other representatives and advisors.

“**Tax Act**” or any reference to a specific provision thereof means the *Income Tax Act* (Canada) and legislation of any legislature of any province or territory of Canada and any regulations thereunder in force of like or similar effect.

“**Tax Return**” means all returns, declarations, designations, elections, forms, schedules, reports and other documents of every nature whatsoever required to be filed with any Governmental Authority with respect to any Taxes.

“**Taxes**” means all forms of taxes, duties, fees, premiums, assessments, imposts, contributions, levies and other charges of any kind whatsoever imposed in the Canada or elsewhere, including all interest, penalties, fines, charges, additions to tax or other additional amounts imposed in respect thereof or in respect of the failure to make any return or payment or the making of any incorrect or incomplete return or the failure to maintain records (including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, valued-added, excise, stamp, withholding, premium, business, franchising, property, employer health, payroll, employment, health, social services, education, national insurance and social security taxes, surtaxes, customs duties and import and export taxes, licence, franchise and registration fees and employment insurance, health insurance and pension plan premiums or contributions), and “**Tax**” has a corresponding meaning.

“**Termination Date**” means September 30, 2022.

“**Third Party**” has the meaning attributed to such term in Section 6.7(c).

“**Third Party Claim**” has the meaning attributed to such term in Section 6.5(a).

“**Transaction**” means, collectively, the transactions contemplated by this Agreement.

## **1.2 Construction**

This Agreement has been negotiated by each Party with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting Party will not apply to the construction or interpretation of this Agreement.

## **1.3 Interpretation**

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

- (a) headings preceding the text, articles, sections and/or other subdivisions hereof are for convenience 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 provisions hereof;
- (b) the words “herein”, “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular article, section or other subdivision of this Agreement;
- (c) the word “including”, when following any general statement, term or matter, is not to be construed to limit such general statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as “without limitation” or “but not limited to” or words of similar import) is used with reference thereto but rather refers to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter;
- (d) a reference to an article, section, schedule or other subdivision is a reference to the specified article, section, schedule or other subdivision of this Agreement;
- (e) a reference to a statute or a section of a statute will include and will be deemed to be a reference to such statute or section and to the regulations made pursuant thereto, with all amendments made thereto and in force at the relevant time, and to any statute, section of a statute or regulation that may be passed which has the effect of supplementing or superseding the statute or section so referred to or the regulations made pursuant thereto;
- (f) a reference to any agreement is a reference to such agreement as amended, restated, supplemented, replaced and/or modified from time to time;
- (g) a reference to a document in the agreed form means in the form agreed among the Parties and signed by the Parties (or their respective Representatives on the date of this Agreement);
- (h) a reference to any Person will include and will be deemed to be a reference to each Person that is the successor of such Person;
- (i) words importing one gender will include each other gender and words in the singular include the plural and vice versa; and
- (j) unless otherwise specified, all dollar amounts in this Agreement, including the symbol “\$”, refer to lawful currency of Canada.

## 1.4 Knowledge

In this Agreement, any reference to the knowledge of a Party means to the best of the knowledge, information and belief of the Party after reviewing all relevant records and making due inquiries regarding the relevant matter of all relevant Representatives of such Party.

## 1.5 Computation of Time

In this Agreement, unless specified otherwise or the context otherwise requires:

- (a) a reference to a period of days is deemed to begin on the first day after the event that started the period and to end at 5:00 p.m. on the last day of the period, but if the last day of the period does not fall on a Business Day, the period ends at 5:00 p.m. on the next succeeding Business Day;
- (b) all references to specific dates mean 11:59 p.m. on the dates;
- (c) all references to specific times will be references to Vancouver time; and
- (d) with respect to the calculation of any period of time, references to “from” mean “from and excluding” and references to “to” or “until” mean “to and including”.

## 1.6 Schedules

The Schedules to this Agreement, as listed below, are an integral part of this Agreement and are expressly incorporated into and made a part of this Agreement:

- Schedule “A” – Shareholders, Ownership of Purchased Shares, and Allocation of Consideration Shares

## ARTICLE 2 - PURCHASE AND SALE OF PURCHASED SHARES

### 2.1 Agreement to Purchase and Sell

Subject to the terms and conditions of this Agreement, on the Closing Date the Shareholders will sell, assign and transfer to the Purchaser, and the Purchaser will purchase from the Shareholders, all issued and outstanding Company Shares, free and clear of all Encumbrances (collectively, the “**Purchased Shares**”).

### 2.2 Consideration

The aggregate consideration payable to the Shareholders for the Purchased Shares will be an aggregate of 13,827,250 and a deemed price per Consideration Share equal to approximately \$0.15 per share (collectively, the “**Consideration Shares**”), such Consideration Shares to be issued by the Purchaser to the Shareholders at Closing based on their pro rata interest in the Purchased Shares as set forth in Schedule “A”, free and clear of all Encumbrances except as contemplated in this Agreement. The number of Consideration Shares remain subject to adjustment up to the Closing Date to account for the Company's working capital.

### 2.3 Reliance on Prospectus Exemption

The Purchaser will rely on Section 2.16 of NI 45-106, the take-over bid prospectus exemption, to issue the Consideration Shares as consideration for the purchase of the 100% of the Company.



## **2.4 Tax Election**

The Purchaser agrees that, at the request and expense of any Shareholder who is resident in Canada for the purposes of the Tax Act, the Purchaser shall jointly elect with the Shareholder for the provisions of subsection 85(1) or (2) of the Tax Act and any equivalent provision under provincial legislation (each a “Tax Election Provision”) to apply to the Purchased Shares acquired by the Purchaser from the Shareholder. In order to make any such election, the Shareholder shall prepare any prescribed election form (each a “Tax Election Form”) and deliver any such Tax Election Form to the Purchaser within 90 days of the Closing Date. Upon receipt, the Purchaser shall sign the Tax Election Form and deliver a copy of the Tax Election Form to the Shareholder by mail using the address that the Shareholder provided to the Purchaser in the Tax Election Form within 30 days of receipt thereof. It shall be the sole responsibility of the Shareholder making the request to file the Tax Election Form with the Canada Revenue Agency or relevant provincial Governmental Authority. The Purchaser shall not be liable for any damages arising to a Shareholder for a late filing of a Tax Election Form or any errors or omissions on a Tax Election Form.

Notwithstanding anything contained in this Agreement, Purchaser does not assume and shall not be liable for any taxes under the Tax Act or any other amount whatsoever which may be or become payable by Shareholders, including, without limiting the generality of the foregoing, any taxes resulting from or arising as a consequence of the sale by Shareholders to Purchaser of the Purchased Shares herein contemplated, or the availability (or lack thereof) of the provisions of subsection 85.1 or 85(1) of the Tax Act, or the content or impact of any election made under subsection 85(1) of the Tax Act.

## **ARTICLE 3 - CLOSING ARRANGEMENTS**

### **3.1 Closing**

The Closing will take place at the offices of the Purchaser in Vancouver, British Columbia, or at such other place as may be agreed to by the Company and the Purchaser.

### **3.2 Shareholders’ Conditions**

The obligations of the Shareholders to complete the Transaction will be subject to the satisfaction of, or compliance with, on or before the Closing Date, each of the following conditions precedent:

- (a) the representations and warranties of the Purchaser made in Section 4.3 will be true and correct in all material respects at Closing and with the same effect as if made at and as of Closing;
- (b) the Purchaser will have performed and complied with all the obligations, covenants and agreements to be performed and complied with by the Purchaser under this Agreement;
- (c) if and as required by Applicable Law or by any applicable stock exchange, approval of the Transaction by the shareholders of the Purchaser;
- (d) approval of the Transaction by any applicable stock exchange;
- (e) no Material Adverse Effect will have occurred with respect to the Purchaser;
- (f) no injunction or restraining order of any court or administrative tribunal of competent jurisdiction will be in effect prohibiting the Transaction and no action or proceeding will have

been instituted or be pending before any court or administrative tribunal to restrain or prohibit the Transaction;

- (g) no inquiry or investigation (whether formal or informal) in relation to the Transaction, the Purchaser or its directors or officers will have been commenced or threatened by any applicable stock exchange or any Governmental Authority, such that the outcome of such inquiry or investigation could have a Material Adverse Effect on the Purchaser after giving effect to the Transaction; and
- (h) the Company will have received from the Purchaser the documentation set forth in Section 3.6.

The conditions set forth in this Section 3.2 are for the exclusive benefit of the Shareholders and may be waived by the Shareholders in writing in whole or in part on or before the Closing Date. Notwithstanding any such waiver, the completion of the Transaction by the Shareholders will not prejudice or affect in any way the rights of the Shareholders in respect of the representations and warranties of the Purchaser in this Agreement, and the representations and warranties of the Purchaser in this Agreement will survive the Closing for the applicable period set out in Section 4.4.

### **3.3 Purchaser's Conditions**

The obligations of the Purchaser to complete the Transaction will be subject to the satisfaction of, or compliance with, on or before the Closing Date, each of the following conditions precedent:

- (a) the representations and warranties of the Shareholders and the Company made in Sections 4.1 and 4.2 will be true and correct in all material respects at Closing and with the same effect as if made at and as of Closing;
- (b) the Shareholders and the Company will have performed and complied with all of the obligations, covenants and agreements to be performed and complied with by them under this Agreement;
- (c) the Company's cash balance will be a minimum of \$500,000;
- (d) if and as required by Applicable Law or by any applicable stock exchange, approval of the Transaction by the shareholders of the Purchaser;
- (e) approval of the Transaction by any applicable stock exchange;
- (f) no Material Adverse Effect will have occurred with respect to the Company or the Intellectual Property;
- (g) no injunction or restraining order of any court or administrative tribunal of competent jurisdiction will be in effect prohibiting the Transaction contemplated by this Agreement and no action or proceeding will have been instituted or be pending before any court or administrative tribunal to restrain or prohibit the Transaction among the parties contemplated by this Agreement;
- (h) no inquiry or investigation (whether formal or informal) in relation to the Intellectual Property, the Transaction, the Shareholders, the Company or their directors or officers will have been commenced or threatened by any applicable stock exchange or any Governmental Authority,

such that the outcome of such inquiry or investigation could have a Material Adverse Effect on the Purchaser after giving effect to the Transaction; and

- (i) the Purchaser will have received from the Shareholders and the Company the documentation set forth in Sections 3.4 and 3.5.

The conditions set forth in this Section 3.3 are for the exclusive benefit of the Purchaser and may be waived by the Purchaser in writing in whole or in part on or before the Closing Date. Notwithstanding any such waiver, the completion of the Transaction by the Purchaser will not prejudice or affect in any way the rights of the Purchaser in respect of the representations and warranties of the Shareholders or the Company in this Agreement, and the representations and warranties of the Shareholders and the Company in this Agreement will survive the Closing for the applicable period set out in Section 4.5.

### **3.4 Shareholders' Closing Deliveries**

At the Closing, each of the Shareholders will deliver or cause to be delivered to the Purchaser the following in form and substance satisfactory to the Purchaser, share certificates evidencing the Purchased Shares from the Shareholder duly endorsed for transfer or all such instruments of transfer, duly executed, which in the opinion of the Purchaser acting reasonably are necessary to effect and evidence the transfer of the Purchased Shares of the Shareholder to the Purchaser.

### **3.5 Company's Closing Deliveries**

At the Closing, the Company will deliver or cause to be delivered to the Purchaser the following in form and substance satisfactory to the Purchaser:

- (a) a certified copy of all resolutions of the board of directors of the Company: (i) approving the registration of the transfers referred to in Section 2.1; and (ii) the entering into and completion of the Transaction;
- (b) certified copies of the Constatting Documents of the Company, complete and up to date to (but not including) Closing;
- (c) a certificate of good standing or equivalent issued by the applicable regulatory body with respect to the Company; and
- (d) the Company's Books and Records.

### **3.6 Purchaser's Closing Deliveries**

At Closing, the Purchaser will deliver or cause to be delivered to the Company the following in form and substance satisfactory to the Company:

- (a) a certified copy of all resolutions of the board of directors of the Purchaser: (i) approving the issuance of the Consideration Shares to the Shareholders free of all Encumbrances except as contemplated by this Agreement; and (ii) the entering into of this Agreement and completion of the Transaction;
- (b) certified copies of the Constatting Documents of the Purchaser, complete and up to date to (but not including) Closing;

- (c) a certificate of good standing issued by the British Columbia Registrar of Companies with respect to the Purchaser; and
- (d) share certificates or DRS Statements representing the Consideration Shares registered in the name of the Shareholders.

### 3.7 Termination

Unless otherwise agreed to in writing by the Parties, this Agreement will be terminated if Closing has not occurred on or before the Termination Date.

## ARTICLE 4 - REPRESENTATIONS AND WARRANTIES

### 4.1 Representations and Warranties regarding the Shareholders

Each of the Shareholders, severally but not jointly, represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying on these representations and warranties in connection with its purchase of the Purchased Shares and that the Purchaser would not purchase the Purchased Shares without these representations and warranties:

- (a) Organization and Status. If the Shareholder is a corporation, the Shareholder is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation.
- (b) Power. The Shareholder has all necessary power and authority to carry out the Transaction in accordance with the terms of this Agreement.
- (c) Authorization. All necessary action has been taken by the Shareholder or on its part to authorize its execution and delivery of any Contracts, agreements and instruments required by this Agreement to be delivered by it and the performance of its obligations thereunder.
- (d) Consents and Approvals. There is no requirement for the Shareholder to make any filing with or give any notice to any Governmental Authority or to obtain any permit or approval, as a condition to the lawful completion of the Transaction, except for such filings or notices that have been made or will be made in due course by the Shareholder.
- (e) Absence of Conflict. The execution, delivery and performance by the Shareholder of this Agreement and the completion of the Transaction will not (whether after the passage of time or notice or both) result in:
  - (i) the breach or violation of any of the provisions of, or constitute a default under, or conflict with or cause the acceleration of any of its obligations, under:
    - (A) any Contract to which it is a party or by which any of its undertakings, property or assets is bound or affected;
    - (B) if the Shareholder is a corporation, any provision of its Constatting Documents or resolutions of its board of directors (or any committee thereof) or shareholders;
    - (C) any judgement, decree, order or award of any Governmental Authority having jurisdiction over the Shareholders;
    - (D) any approval issued to, held by or for the benefit of, the Shareholder; or

- (E) any Applicable Law;
  - (ii) the creation or imposition of any Encumbrance over any of the Purchased Shares; or
  - (iii) the requirement for any approval from any Person.
- (f) Validity. This Agreement has been duly executed and delivered by the Shareholder and constitutes the legal, valid and binding obligations of the Shareholder, enforceable against the Shareholder in accordance with its terms, subject to the general qualifications that:
- (i) the enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization or other similar laws of general application affecting creditors' rights generally;
  - (ii) equitable remedies, including the remedies of specific performance and injunctive relief, are available only in the discretion of the applicable court;
  - (iii) the equitable or statutory powers of the courts in Canada having jurisdiction to stay proceedings before them and the execution of judgments; and
  - (iv) rights to indemnity hereunder may be limited under Applicable Law;
- ((i), (ii), (iii) and (iv) being, collectively, “**Creditors’ Rights**”); and, at the Closing, all documents required hereunder to be executed and delivered by the Shareholder will have been duly authorized, executed and delivered by the Shareholder and will constitute legal, valid and binding obligations of the Shareholder, enforceable in accordance with their terms, subject to Creditors’ Rights.
- (g) Reliance on Prospectus Exemption. The Consideration Shares are being issued to the Shareholders pursuant to the exemption from the registration and prospectus requirements of Applicable Securities Laws and as out at section 2.3 above, and as a consequence of acquiring the Consideration Shares pursuant to such exemption, certain protections, rights and remedies provided in applicable securities legislation, including statutory rights of rescission or damages, may not be available to it. The Shareholder also acknowledges that it has been advised that due to the fact that no prospectus has been or is required to be filed with respect to any of the Consideration Shares under Applicable Securities Laws (i) the Shareholder may not receive information that might otherwise be required to be provided to it under such legislation, (ii) the Purchaser is relieved from certain obligations that would otherwise apply under applicable legislation, and (iii) the Shareholder is restricted from using certain of the civil remedies available under such legislation.
- (h) Bankruptcy. The Shareholder is not an insolvent Person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) or any other Applicable Law and has not made an assignment in favour of its creditors or a proposal in bankruptcy to its creditors or any class thereof, and no petition for a receiving order has been presented in respect of it. The Shareholder has not initiated proceedings with respect to a compromise or arrangement with its creditors or for its winding up, liquidation or dissolution. No receiver or interim receiver has been appointed in respect of it or any of its undertakings, property or assets and no execution or distress has been levied on any of its undertakings, property or assets, nor have any proceedings been commenced in connection with any of the foregoing. The Shareholder is not otherwise the subject of Insolvency Proceedings.

- (i) Ownership of Purchased Shares. The Shareholder is the registered and beneficial owner of the Purchased Shares listed on Schedule “A” beside the Shareholder’s name, with good and marketable title thereto, free and clear of all Encumbrances, and has the exclusive right to dispose of such Purchased Shares as provided in this Agreement, and such Purchased Shares are the only securities of the Company owned, directly or indirectly, beneficially or otherwise, by the Shareholder. On Closing the Purchaser will have good title to all such Purchased Shares free and clear of all Encumbrances other than Encumbrances granted by the Purchaser.
- (j) No Other Agreements to Purchase. No Person other than the Purchaser has any Contract or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming a Contract, including convertible securities, warrants or convertible obligations of any nature, for the purchase or acquisition from the Shareholder of any of the Purchased Shares listed on Schedule “A” beside the Shareholder’s name.
- (k) Absence of Fees. The Shareholder has not incurred any obligation or liability, contingent or otherwise, for brokerage fees, finder’s fees, agent’s commission or other similar forms of compensation with respect to the Transaction which will be or may become the responsibility of the Company or the Purchaser.
- (l) Litigation. There are no Claims pending or outstanding or, to the Shareholder’s knowledge, threatened against the Shareholder which could affect the Purchased Shares or the Shareholder’s ability to perform its obligations under this Agreement. To the Shareholder’s knowledge there is not any factual or legal basis on which any such Claim might be commenced with any reasonable likelihood of success.
- (m) No Indebtedness to the Company. The Shareholder has no indebtedness, liability or obligation to the Company.
- (n) No Claim Against the Company. The Shareholder has no Claim against the Company, and the Company is not indebted or otherwise obligated to such Shareholder, including by reason of the entering into of this Agreement.
- (o) Residency. The Shareholder is not a “non-resident” of Canada within the meaning of section 116 of the Tax Act.

#### **4.2 Representations and Warranties regarding the Company**

The Company and each of the Shareholders, jointly and severally, represent and warrant to the Purchaser as follows and acknowledge that the Purchaser is relying on these representations and warranties in connection with its purchase of the Purchased Shares from the Shareholders and that the Purchaser would not purchase the Purchased Shares without these representations and warranties:

- (a) Organization and Status. The Company is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation.
- (b) Corporate Power. The Company has all necessary corporate power and authority to carry out the Transaction in accordance with the terms of this Agreement and to own or lease the Company Assets and to carry on the Company Business as now being conducted by it.

- (c) Authorization. All necessary corporate action has been taken by the Company or on its part to authorize its execution and delivery of any Contracts, agreements and instruments required by this Agreement to be delivered by it and the performance of its obligations thereunder.
- (d) Consents and Approvals. There is no requirement for the Company to make any filing with or give any notice to any Governmental Authority or to obtain any permit or approval, as a condition to the lawful completion of the Transaction, except for such filings or notices that have been made or will be made in due course by the Company.
- (e) Absence of Conflict. The execution, delivery and performance by the Company of this Agreement and the completion of the Transaction will not (whether after the passage of time or notice or both) result in:
  - (i) the breach or violation of any of the provisions of, or constitute a default under, or conflict with or cause the acceleration of any of its obligations, under:
    - (A) any Contract to which it is a party or by which any of its undertakings, property or assets is bound or affected;
    - (B) any provision of its Constatng Documents or resolutions of its board of directors (or any committee thereof) or shareholders;
    - (C) any judgement, decree, order or award of any Governmental Authority having jurisdiction over the Company;
    - (D) any approval issued to, held by or for the benefit of, the Company; or
    - (E) any Applicable Law;
  - (ii) the creation or imposition of any Encumbrance over any of the Company Assets; or
  - (iii) the requirement for any approval from any Person.
- (f) Validity. This Agreement has been duly executed and delivered by the Company and constitutes the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with its terms, subject to Creditors' Rights, and, at the Closing, all documents required hereunder to be executed and delivered by the Company will have been duly authorized, executed and delivered by the Company and will constitute legal, valid and binding obligations of the Company, enforceable in accordance with their terms, subject to Creditors' Rights.
- (g) Bankruptcy. The Company is not an insolvent Person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) or any other Applicable Law and has not made an assignment in favour of its creditors or a proposal in bankruptcy to its creditors or any class thereof, and no petition for a receiving order has been presented in respect of it. The Company has not initiated proceedings with respect to a compromise or arrangement with its creditors or for its winding up, liquidation or dissolution. No receiver or interim receiver has been appointed in respect of it or any of its undertakings, property or assets and no execution or distress has been levied on any of its undertakings, property or assets, nor have any proceedings been commenced in connection with any of the foregoing. The Company is not otherwise the subject of Insolvency Proceedings.

- (h) Insolvency. The Company is able to pay its debts as they fall due and has not stopped payment of its debts. The value of the Company Assets exceeds the amount of the Company's liabilities, taking into account contingent and prospective liabilities. Insolvency Proceedings have not commenced in relation to the Company or (if applicable) any part of its assets or undertaking. So far as the Company is aware, there are no circumstances which entitle or may entitle any Person to commence any Insolvency Proceedings in relation to the Company or (if applicable) any part of its assets or undertaking.
- (i) Capitalization. The entire authorized Equity Interests in the Company consists of an unlimited number of common shares, of which only the Purchased Shares are currently issued and outstanding. All of the Purchased Shares have been duly authorized and validly issued and are fully paid and non-assessable. None of the Purchased Shares were issued in violation of any Applicable Law.
- (j) Working Capital. As of the date of this Agreement, the Company's working capital is at least \$500,000.
- (k) Absence of Rights to Acquire Equity Interests. Other than as contemplated in this Agreement, no Person has any agreement, right or option, present or future, contingent, absolute or capable of becoming an agreement, right or option or which with the passage of time or the occurrence of any event could become an agreement, right or option:
  - (i) to require the Company to issue any further or other Company Shares or any other security convertible or exchangeable into Company Shares or to convert or exchange any securities into or for Company Shares;
  - (ii) for the issue or allotment of any unissued Company Shares;
  - (iii) to require the Company to purchase, redeem or otherwise acquire any of the issued and outstanding Company Shares; or
  - (iv) to acquire any Company Shares.
- (l) Conduct of Company Business. The Company has, in all material respects, complied with, and has conducted and is conducting the Company Business in compliance with, all Applicable Laws. The Company Assets are sufficient to permit the continued operation of the Company Business in substantially the same manner as conducted prior to Closing.
- (m) Title to Company Assets. The Company owns (with good title) all of the Company Assets, except those that have been acquired and disposed of in the Ordinary Course. The Company has legal and beneficial ownership of the Company Assets free and clear of all Encumbrances, except for Permitted Encumbrances.
- (n) Subsidiaries. The Company has no subsidiaries and holds no shares or other ownership, equity or proprietary interest in any other Person.
- (o) Real Property and Leased Property. The Company is not the owner of any real property and does not lease any real property.



- (p) Material Contracts. Except for any Contracts disclosed in writing by the Company to the Purchaser prior to the date of execution of this Agreement (collectively, the “**Company Material Contracts**”), the Company is not a party to or bound by:
- (i) any Contract which Materially adversely affects the Company Business or any of the Company Assets;
  - (ii) any Contract entered into by the Company other than in the Ordinary Course; or
  - (iii) any Contract that is Material to the Company, the Company Assets or the Company Business.
- (q) No Default Under Company Material Contracts. To its knowledge, the Company has performed all of the obligations required to be performed by it and is entitled to all benefits under, and is not in default or alleged to be in default in respect of, the Company Material Contracts. To the Company’s knowledge, each of the Company Material Contracts is in good standing and in full force and effect, and no event, condition or occurrence exists that, after notice or lapse of time or both, would constitute a default under any of the Company Material Contracts. There is no dispute between the Company and any other party under any of the Company Material Contracts. None of the Company Material Contracts has been assigned, or if applicable subleased, in whole or in part.
- (r) Regulatory and Third Party Approvals.
- (i) Other than any approvals or filings, notices or permits required to be obtained or made by the Purchaser or any Person related to the Purchaser, there is no requirement to make any filing with, give any notice to or obtain any permit as a condition to the lawful completion of the Transaction.
  - (ii) There is no requirement under the Company Material Contracts for any approvals from any party to that Contract or from any other Person relating to the completion of the Transaction, for which such approval has not been obtained.
- (s) Books and Records. The Company’s Books and Records have been maintained in accordance with the requirements of Applicable Laws.
- (t) Corporate Records. The minute books of the Company contain true, accurate and complete records of all of its Constatting Documents. The share certificates, register of shareholders, register of directors and officers, central securities register and register of transfers of the Company are true, accurate and complete.
- (u) Undisclosed Liabilities. The Company has no liabilities, obligations, indebtedness or commitments of any nature whatsoever, whether known or unknown, due, to become due, direct, indirect, absolute, contingent or otherwise, and is not a party to or bound by any agreement of guarantee, support, indemnification, assumption or endorsement of, or any other similar commitment with respect to the liabilities, obligations, indebtedness or commitments (whether accrued, absolute, contingent or otherwise) of any Person.
- (v) Absence of Changes. Since the date of its incorporation, the Company has carried on the Company Business and conducted its operations and affairs only in the Ordinary Course and the Company has not made or suffered any Material Adverse Change.

- (w) Litigation. There are no Claims pending or, to the knowledge of the Company, threatened against or affecting, the Company or the Company Assets. To the knowledge of the Company there is not any factual or legal basis on which any such Claim might be commenced with any reasonable likelihood of success. The Company is not the plaintiff or complainant in any Claim.
- (x) Non-Arm's Length Transaction. The Company has not made any payment or loan to, or borrowed any monies from or is otherwise indebted to, any officer, director, employee, shareholder or any other Person not dealing at arm's length with the Company.
- (y) Employees. The Company is not a party to any Contract, agreement or other commitment, whether oral or written, with any employee.
- (z) Union Contracts. The Company has not entered into any collective agreement with any labour union or employee association or made any commitments to or conducted any negotiations with any labour union or employee association with respect to any future collective agreement. The Company is not aware of any current attempts to organize, establish or certify any labour union or employee association with respect to any employees of the Company, nor is any such union or association presently certified with regard to a bargaining unit.
- (aa) Permits and Licenses. The Company holds all material authorizations, approvals, orders, licenses, permits or consents issued by any applicable Governmental Authority which are necessary in connection with the conduct and operation of the Company Business and the ownership, leasing or use of the Company Assets as the same are now owned, leased, used conducted or operated, the Company is not in breach of or in default under any of the terms or conditions thereof (except to the extent such breach or default would not result in a Material Adverse Effect).
- (bb) No Finder's Fees. The Company has not taken and will not take any action that would cause the Purchaser, the Company or the Shareholders to become liable to any Claim for a brokerage commission, finder's fee or other similar arrangement.
- (cc) Taxes. The Company has paid all Taxes which are due and payable within the time required by Applicable Law and has paid all assessments and reassessments it has received in respect of Taxes. The Company has made full and adequate provision in its Books and Records for all Taxes which are not yet due and payable but which relate to periods ending on or before the Closing Date. The Company has withheld and collected all amounts required by Applicable Law to be withheld or collected by it on account of Taxes and has remitted all such amounts to the appropriate Governmental Authority within the time prescribed under any Applicable Law. The Company has filed or caused to be file all Tax Returns which are required to be filed by it and such Tax Returns are correct and complete, and the Company has made complete and accurate disclosure in its Tax Returns and in all materials incorporated in such Tax Returns, except in respect of a particular Tax Return to the extent that it may have been modified in a subsequent Tax Return.
- (dd) Full Disclosure. Neither this Agreement or any other Contract, agreement, instrument, certificate or other document required to be delivered by or otherwise to be delivered pursuant to this Agreement by the Company nor any certificate, report, statement or other document furnished by the Company in connection with the negotiation of this Agreement contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements contained herein or therein not misleading. There has been

no event, transaction or information that has come to the attention of the Company that has not been disclosed to the Purchaser in writing that could reasonably be expected to have a Material Adverse Effect.

#### 4.3 Representations and Warranties regarding the Purchaser

The Purchaser represents and warrants to the Shareholders and the Company as follows and acknowledges that the Shareholders and the Company are relying on these representations and warranties in connection with the sale by the Shareholders of the Purchased Shares and the Transaction:

- (a) Organization and Status. The Purchaser is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation.
- (b) Corporate Power. The Purchaser has all necessary corporate power and authority to carry out the Transaction in accordance with the terms of this Agreement and to own or lease the Purchaser Assets and to carry on the Purchaser Business as now being conducted by it.
- (c) Authorization. All necessary corporate action has been taken by or on the part of the Purchaser to authorize its execution and delivery of this Agreement and the Contracts, agreements and instruments required by this Agreement to be delivered by it and the performance of its obligations hereunder and thereunder.
- (d) Consents and Approvals. Except as disclosed in the Purchaser Public Disclosure Record and approval from the Neo Exchange, there is no requirement for the Purchaser to make any filing with or give any notice to any Governmental Authority or to obtain any permit or approval, as a condition to the lawful completion of the Transaction.
- (e) Absence of Conflict. The execution, delivery and performance by the Purchaser of this Agreement and the completion of the Transaction will not (whether after the passage of time or notice or both) result in:
  - (i) the breach or violation of any of the provisions of, or constitute a default under, or conflict with or cause the acceleration of any of its obligations, under:
    - (A) any Contract to which it is a party or by which any of its undertakings, property or assets is bound or affected;
    - (B) any provision of its Constatting Documents or resolutions of its board of directors (or any committee thereof) or shareholders;
    - (C) any judgement, decree, order or award of any Governmental Authority having jurisdiction over the Purchaser;
    - (D) any approval issued to, held by or for the benefit of, the Purchaser; or
    - (E) any Applicable Law;
  - (ii) the creation or imposition of any Encumbrance over any of the Purchaser Assets; or
  - (iii) the requirement for any approval from any Person.

- (f) Validity. This Agreement has been duly executed and delivered by the Purchaser and constitutes the legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, subject to Creditors' Rights, and, at the Closing, all documents required hereunder to be executed and delivered by the Purchaser will have been duly authorized, executed and delivered by the Purchaser and will constitute legal, valid and binding obligations of the Purchaser, enforceable in accordance with their terms, subject to Creditors' Rights.
- (g) Bankruptcy. The Purchaser is not an insolvent Person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) and has not made an assignment in favour of its creditors or a proposal in bankruptcy to its creditors or any class thereof, and no petition for a receiving order has been presented in respect of it. The Purchaser has not initiated proceedings with respect to a compromise or arrangement with its creditors or for its winding up, liquidation or dissolution. No receiver or interim receiver has been appointed in respect of it or any of its undertakings, property or assets and no execution or distress has been levied on any of its undertakings, property or assets, nor have any proceedings been commenced in connection with any of the foregoing. The Purchaser is not otherwise the subject of Insolvency Proceedings.
- (h) Insolvency. The Purchaser is able to pay its debts as they fall due and has not stopped payment of its debts. The value of the Purchaser Assets exceeds the amount of the Purchaser's liabilities, taking into account contingent and prospective liabilities. Insolvency Proceedings have not commenced in relation to the Purchaser or (if applicable) any part of its assets or undertaking. So far as the Purchaser is aware, there are no circumstances which entitle or may entitle any Person to commence any Insolvency Proceedings in relation to the Purchaser or (if applicable) any part of its assets or undertaking.
- (i) Authorized and Issued Capital. The Purchaser Public Disclosure Record sets out the authorized and issued shares of the Purchaser. All of the shares indicated in the Purchaser Public Disclosure Record as being issued and outstanding have been validly issued and are outstanding as fully paid and non-assessable shares, and were not issued in violation of the pre-emptive rights of any Person or any Contract or Applicable Law by which the Purchaser was bound at the time of the issuance. There are no shareholders agreements, voting trusts, pooling agreements or other Contracts, arrangements or understandings in respect of the voting of any of the shares of the Purchaser. True, accurate and complete copies of the Constatting Documents and other organizational documents of the Purchaser have been provided to the Company.
- (j) Consideration Shares. As of the Closing Date and upon completion of the Transaction, the Consideration Shares will be validly issued as fully paid and non-assessable.
- (k) Conduct of Purchaser Business. The Purchaser has, in all material respects, complied with, and has conducted and is conducting the Purchaser Business in compliance with, all Applicable Laws. The Purchaser Assets are sufficient to permit the continued operation of the Purchaser Business in substantially the same manner as conducted prior to Closing.
- (l) Title to Purchaser Assets. The Purchaser owns (with good title) all of the Purchaser Assets reflected as being owned by the Purchaser in the Purchaser Financial Statements, except those that have been acquired and disposed of in the Ordinary Course. The Purchaser has legal and beneficial ownership of the Purchaser Assets free and clear of all Encumbrances, except for Permitted Encumbrances.

- (m) Subsidiaries. Except as may be disclosed in the Purchaser Public Disclosure Record, the Purchaser has no subsidiaries and holds no shares or other ownership, equity or proprietary interest in any other Person.
- (n) Real Property and Leased Property. The Purchaser is not the owner of any real property.
- (o) Material Contracts. Except for the Contracts described in the Purchaser Public Disclosure Record (the “**Purchaser Material Contracts**”), the Purchaser is not a party to or bound by:
  - (i) any Contract which Materially adversely affects the Purchaser Business or any of the Purchaser Assets;
  - (ii) any Contract entered into by the Purchaser other than in the Ordinary Course; or
  - (iii) any Contract that is Material to the Purchaser, the Purchaser Assets or the Purchaser Business.
- (p) No Default Under Material Contracts. To its knowledge, the Purchaser has performed all of the obligations required to be performed by it and is entitled to all benefits under and is not in default or alleged to be in default in respect of, the Purchaser Material Contracts. To the Purchaser’s knowledge, each of the Purchaser Material Contracts is in good standing and in full force and effect, and no event, condition or occurrence exists that, after notice or lapse of time or both, would constitute a default under any of the Purchaser Material Contracts. There is no dispute between the Purchaser and any other party under any of the Purchaser Material Contracts. None of the Purchaser Material Contracts has been assigned, or if applicable subleased, in whole or in part.
- (q) Regulatory and Third Party Approvals.
  - (i) Other than any approvals or filings, notices or permits required to be obtained or made by the Company, the Shareholders or any Person related to any of them, there is no requirement to make any filing with, give any notice to or obtain any permit as a condition to the lawful completion of the Transaction, except for the filings, notifications and permits described in the Purchaser Public Disclosure Record.
  - (ii) Except as disclosed in the Purchaser Public Disclosure Record, there is no requirement under the Purchaser Material Contracts for any approvals from any party to that Contract or from any other Person relating to the completion of the Transaction, for which such approval has not been obtained.
- (r) Financial Statements. The Purchaser Financial Statements have been prepared in accordance with IFRS. The Purchaser Financial Statements fairly, completely and accurately present the assets, liabilities (whether accrued, absolute, contingent or otherwise) and financial condition of the Purchaser as at the date to which they were prepared and of the profit and loss of the Purchaser in the financial year ended on the date of such Purchaser Financial Statements.
- (s) Books and Records. The Purchaser’s Books and Records have been maintained in accordance with the requirements of Applicable Laws.
- (t) Corporate Records. The minute books of the Purchaser contain true, accurate and complete records of all of its Constatting Documents. The share certificates, register of shareholders,

register of directors and officers, central securities register and register of transfers of the Purchaser are true, accurate and complete.

- (u) Undisclosed Liabilities. The Purchaser has no liabilities, obligations, indebtedness or commitments of any nature whatsoever, whether known or unknown, due, to become due, direct, indirect, absolute, contingent or otherwise, and is not a party to or bound by any agreement of guarantee, support, indemnification, assumption or endorsement of, or any other similar commitment with respect to the liabilities, obligations, indebtedness or commitments (whether accrued, absolute, contingent or otherwise) of any Person, that are not disclosed in the Purchaser Financial Statements or in the Purchaser Public Disclosure Record.
- (v) Absence of Changes. Except as disclosed in the Purchaser Public Disclosure Record, since the date of the Purchaser Financial Statements, the Purchaser has carried on the Purchaser Business and conducted its operations and affairs only in the Ordinary Course and the Purchaser has not made or suffered any Material Adverse Change.
- (w) Litigation. There are no Claims pending or, to the knowledge of the Purchaser, threatened against or affecting, the Purchaser. To the knowledge of the Purchaser there is not any factual or legal basis on which any such Claim might be commenced with any reasonable likelihood of success. The Purchaser is not the plaintiff or complainant in any Claim.
- (x) Accounts and Attorneys. The Purchaser Public Disclosure Record provides a true, accurate and complete list of the accounts and safety deposit boxes of the Purchaser and sets out the name of each bank, trust company or similar institution in which the Purchaser has accounts or safety deposit boxes, the number or designation of each such account and safety deposit box and the names of all Persons authorized to draw thereon or to have access thereto.
- (y) Non-Arm's Length Transaction. The Purchaser has not made any payment or loan to, or borrowed any monies from or is otherwise indebted to, any officer, director, employee, shareholder or any other Person not dealing at arm's length with the Purchaser, except as disclosed in the Purchaser Public Disclosure Record. The Purchaser is not a party to any Contract with any officer, director, employee, shareholder or any other Person not dealing at arm's length with the Purchaser, except for any employment agreements with the employees of the Purchaser or as described in the Purchaser Public Disclosure Record.
- (z) Union Contracts. The Purchaser has not entered into any collective agreement with any labour union or employee association or made any commitments to or conducted any negotiations with any labour union or employee association with respect to any future collective agreement. The Purchaser is not aware of any current attempts to organize, establish or certify any labour union or employee association with respect to any employees of the Purchaser, nor is any such union or association presently certified with regard to a bargaining unit.
- (aa) Permits and Licenses. The Purchaser holds all material authorizations, approvals, orders, licenses, permits or consents issued by any applicable government or Governmental Authority, or any municipal, regional or other authority, or any regulatory body or agency, including any governmental department, commission, bureau, board or administrative agency, which are necessary in connection with the conduct and operation of the Purchaser Business and the ownership, leasing or use of the Purchaser Assets as the same are now owned, leased, used conducted or operated, the Purchaser is not in breach of or in default under any of the terms or conditions thereof (except to the extent such breach or default would not result in a Material

Adverse Effect), and all such authorizations, approvals, orders, licences, permits and consent are described in the Purchaser Public Disclosure Record.

- (bb) No Finder's Fees. The Purchaser has not taken and will not take any action that would cause the Purchaser, the Company or the Shareholders to become liable to any Claim for a brokerage commission, finder's fee or other similar arrangement.
- (cc) Taxes. The Purchaser has paid all Taxes which are due and payable within the time required by Applicable Law and has paid all assessments and reassessments it has received in respect of Taxes. The Purchaser has made full and adequate provision in its Books and Records and the Purchaser Financial Statements for all Taxes which are not yet due and payable but which relate to periods ending on or before the Closing Date. The Purchaser has withheld and collected all amounts required by Applicable Law to be withheld or collected by it on account of Taxes and has remitted all such amounts to the appropriate Governmental Authority within the time prescribed under any Applicable Law. The Purchaser has filed or caused to be file all Tax Returns which are required to be filed by it and such Tax Returns are correct and complete, and the Purchaser has made complete and accurate disclosure in its Tax Returns and in all materials accompanying such Tax Returns, except in respect of a particular Tax Return to the extent that it may have been modified in a subsequent Tax Return.
- (dd) Full Disclosure. Neither this Agreement or any other Contract, agreement, instrument, certificate or other document required to be delivered by or otherwise to be delivered pursuant to this Agreement by the Purchaser nor any certificate, report, statement or other document furnished by the Purchaser in connection with the negotiation of this Agreement contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements contained herein or therein not misleading. There has been no event, transaction or information that has come to the attention of the Purchaser that has not been disclosed to the Company in writing that could reasonably be expected to have a Material Adverse Effect.

#### **4.4 Survival of Representations, Warranties and Covenants of the Shareholders and/or the Company**

- (a) The representations and warranties of the Shareholders and/or the Company contained in this Agreement and in any Contract, agreement, instrument, certificate or other document executed or delivered pursuant to this Agreement will survive Closing and continue in full force and effect until the first anniversary of the Closing Date, notwithstanding the Closing, any investigation made by or on behalf of the Purchaser or any knowledge of the Purchaser.
- (b) The covenants and other obligations of the Shareholders and/or the Company contained in this Agreement and in any Contract, agreement, instrument, certificate or other document executed or delivered pursuant to this Agreement, to the extent that they have not been fully performed on or prior to the Closing Date, will survive Closing and will continue for the benefit of the Purchaser for the applicable limitation period imposed by Applicable Law notwithstanding Closing.
- (c) Notwithstanding Section 4.4(a), a Claim for any breach of any of the indemnities, covenants, representations and warranties contained in this Agreement or in any Contract, agreement, instrument, certificate or other document executed or delivered pursuant hereto involving fraud or fraudulent misrepresentations may be made at any time following the Closing Date, subject only to applicable limitation periods imposed by Applicable Law.

#### **4.5 Survival of the Representations, Warranties and Covenants of the Purchaser**

- (a) The representations and warranties of the Purchaser contained in this Agreement and in any Contract, agreement, instrument, certificate or other document executed or delivered pursuant to this Agreement will survive Closing and continue in full force and effect until the first anniversary of the Closing Date, notwithstanding the Closing, any investigation made by or on behalf of the Shareholders or the Company or any knowledge of the Shareholders or the Company.
- (b) The covenants and other obligations of the Purchaser contained in this Agreement and in any Contract, agreement, instrument, certificate or other document executed or delivered pursuant to this Agreement, to the extent that they have not been fully performed on or prior to the Closing Date, will survive Closing and will continue for the benefit of the Shareholders and the Company for the applicable limitation period imposed by Applicable Law notwithstanding Closing.
- (c) Notwithstanding Section 4.5(a), a Claim for any breach of any of the representations and warranties contained in this Agreement or in any Contract, agreement, instrument, certificate or other document executed or delivered pursuant hereto involving fraud or fraudulent misrepresentations may be made at any time following the Closing Date, subject only to applicable limitation periods imposed by Applicable Law.

#### **4.6 Termination of Liability**

After the times referred to in Section 4.4 and Section 4.5 (as applicable), no Party will have any liability or obligations to another Party in respect of any inaccuracy in or breach of any representation or warranty contained in this Agreement and any Contract, agreement, instrument, certificate or other document executed or delivered pursuant to this Agreement, except for (and only to the extent of) any Claim in respect of which the other Party has provided notice to the Party making that representation and warranty in accordance with Section 6.5 prior to the expiry of those time limits, and in that event, only on the terms and conditions of and to the extent provided for in Article 6.

### **ARTICLE 5 - COVENANTS**

#### **5.1 Negative Covenants of the Shareholders and the Company**

- (a) The Shareholders and the Company will not, and will cause their respective Representatives to not, do or permit to occur any of the following, either directly or indirectly:
  - (i) solicit, initiate, encourage, facilitate the making of, engage in or respond to (other than to decline) any inquiries or proposals regarding any Alternative Transaction;
  - (ii) encourage or participate in any discussions or negotiations regarding any Alternative Transaction; or
  - (iii) enter into any agreement, letter of intent or similar document contemplating or otherwise related to any Alternative Transaction.
- (b) The Shareholders and the Company will, and will cause their respective Representatives to, immediately cease and cause to be terminated any existing discussions or negotiations with any Persons with respect to any Alternative Transaction. The Shareholders and the Company



will immediately request the return or destruction of all information provided to any Person that has entered into a confidentiality agreement relating to any Alternative Transaction and will use their reasonable best efforts to ensure that such requests are honoured.

- (c) The Shareholders and the Company will not make available, after the date hereof, any information to any Person in connection with any potential or actual Alternative Transaction on or before the Termination Date.

## **5.2 Conduct of Business Prior to Closing**

Except as otherwise contemplated or permitted by this Agreement, during the period from the date of this Agreement to the Closing Date, each of the Company and the Purchaser will:

- (a) Conduct Business in Ordinary and Usual Course. Conduct the Company Business or the Purchaser Business, as the case may be, in the Ordinary Course thereof and not, without the prior written consent of the other Party (that is, either the Purchaser or the Company, as the case may be), enter into any transaction which would constitute a breach of its representations, warranties or agreements contained herein;
- (b) Continue Insurance. Continue in force all existing policies of insurance presently maintained by it;
- (c) Perform Obligations. Comply with all Applicable Laws affecting the operation of the Company Business or the Purchaser Business, as the case may be, and pay all required Taxes;
- (d) Pay Liabilities. Pay and discharge all of its liabilities or obligations in the Ordinary Course, except for such liabilities or obligations as may be contested by it in good faith;
- (e) No Breach. Not take any action or omit to take any action which would, or would reasonably be expected to, result in a breach of or render untrue any representation, warranty, covenant, or other obligation of it contained herein;
- (f) Preserve Business. Preserve intact the Company Business and the Company Assets, operations and affairs of the Company, or the Purchaser Business and the Purchaser Assets, operations and affairs of the Purchaser, as the case may be, and carry on the business and the affairs of the Company or of the Purchaser, as the case may be, as currently conducted, and promote and preserve the goodwill of its suppliers, its customers and others having business relations with it; and
- (g) Necessary Steps. Take all necessary actions, steps and proceedings that are necessary or desirable to approve or authorize, or to validly and effectively undertake, the execution and delivery of this Agreement and the completion of the Transaction.

## **5.3 Access to Books and Records**

For the longer of (i) a period of two years from the Closing Date and (ii) a period ending upon the final resolution of any disputes pursuant to this Agreement, each of the Purchaser and the Company will retain all of its original accounting Books and Records relating to it that are part of its Books and Records existing on the Closing Date, but will not be responsible or liable for or as a result of any accidental loss or destruction or damage to any such Books and Records. So long as any such Books and Records are retained by the Purchaser or the Company pursuant to this Agreement, the other such Party will have the reasonable

right to inspect and to make copies (at their own expense) of such Books and Records as they relate to any period prior to the Closing Date at any time upon reasonable request during normal business hours and upon reasonable notice for any proper purpose and without undue interference to the business operations of the retaining Party. The retaining Party will have the right to have its Representatives present during any such inspection.

#### **5.4 Further Assurances**

From time to time after the Closing Date, each Party will, at the request of any other Party, execute and deliver such additional conveyances, transfers and other assurances as may be reasonably required to carry out the intent of this Agreement.

### **ARTICLE 6 - INDEMNIFICATION**

#### **6.1 Indemnification by the Shareholders**

Subject to this Article 6 and Section 4.4, each Shareholder will severally but not jointly indemnify and save harmless the Purchaser from any and all Losses suffered or incurred by the Purchaser as a result of or arising directly or indirectly out of or in connection with:

- (a) any inaccuracy of or any breach by such Shareholder of any representation or warranty regarding such Shareholder contained in this Agreement or in any Contract, agreement, instrument, certificate or other document delivered pursuant to this Agreement, including the representations and warranties of the Shareholder contained in Section 4.1, except that the Shareholder will not be required to indemnify and save harmless the Purchaser in respect of any inaccuracy or breach of any such representation or warranty unless the Purchaser will have provided notice to such Shareholder in accordance with Section 6.5 on or prior to the expiration of the applicable time period related to that representation and warranty set out in Section 4.4;
- (b) any breach or non-performance by such Shareholder of any covenant or other obligation to be performed by it contained in this Agreement or in any Contract, agreement, instrument, certificate or other document delivered pursuant to this Agreement; and
- (c) any failure by such Shareholder to transfer good and valid title to its Purchased Shares to the Purchaser, free and clear of all Encumbrances, other than any restrictions on transfer described in this Agreement.

#### **6.2 Indemnification by the Company and the Shareholders**

Subject to this Article 6 and Section 4.4, the Company and the Shareholders will jointly and severally indemnify and save harmless the Purchaser from any and all Losses suffered or incurred by the Purchaser as a result of or arising directly or indirectly out of or in connection with:

- (a) any inaccuracy of or any breach by the Company or the Shareholders of any representation or warranty regarding the Company contained in this Agreement or in any Contract, agreement, instrument, certificate or other document delivered pursuant to this Agreement, including the representations and warranties of the Company and the Shareholders contained in Section 4.2, except that the Company and the Shareholders will not be required to indemnify and save harmless the Purchaser in respect of any inaccuracy or breach of any such representation or warranty unless the Purchaser will have provided notice to the Company in accordance with

Section 6.5 on or prior to the expiration of the applicable time period related to that representation and warranty set out in Section 4.4; and

- (b) any breach or non-performance by the Company of any covenant or other obligation to be performed by it contained in this Agreement or in any Contract, agreement, instrument, certificate or other document delivered pursuant to this Agreement.

### **6.3 Indemnification by the Purchaser**

Subject to this Article 6 and Section 4.5, the Purchaser will indemnify and save harmless the Shareholders and the Company from any and all Losses suffered or incurred by the Shareholders and the Company as a result of or arising directly or indirectly out of or in connection with:

- (a) any inaccuracy of or any breach by the Purchaser of any representation or warranty of the Purchaser contained in this Agreement or in any Contract, agreement, instrument, certificate or other document delivered pursuant to this Agreement, including the representations and warranties of the Purchaser contained in Section 4.3, except that the Purchaser will not be required to indemnify or save harmless the Shareholders and the Company in respect of any inaccuracy or breach of any representation or warranty unless the indemnified party will have provided notice to the Purchaser in accordance with Section 6.5 on or prior to the expiration of the time period set out in Section 4.5; and
- (b) any breach or non-performance by the Purchaser of any covenant or other obligation to be performed by it contained in this Agreement or in any Contract, agreement, instrument, certificate or other document delivered pursuant to this Agreement.

### **6.4 Obligation to Reimburse**

A Party providing indemnification under this Agreement (the “**Indemnifying Party**”) will be obligated to reimburse to a Party being indemnified under this Agreement (the “**Indemnified Party**”) the amount of any Losses suffered or incurred by the Indemnified Party, as of the date that the Indemnified Party incurs any such Losses, that payment being made without prejudice to the Indemnifying Party’s right to contest the basis of the Indemnified Party’s Claim for indemnification.

### **6.5 Notice of Claim**

- (a) Promptly on becoming aware of any circumstances which have given or could give rise to a Claim of indemnification under this Article 6, the Party will notify the other Parties of those circumstances. That notice will specify whether the Losses arise as a result of a Claim by a Person against the Indemnified Party (a “**Third Party Claim**”) or whether the Losses do not so arise (a “**Direct Claim**”), and will also specify with reasonable particularity (to the extent the information is available) the factual basis for the Claim and the amount of the Losses, if known.
- (b) If, through the fault of the Indemnified Party, the Indemnifying Party does not receive notice of any Claim in time to contest effectively the determination of any liability susceptible of being contested, the Indemnifying Party will be entitled to set off against the amount claimed by the Indemnified Party the amount of any Losses incurred by the Indemnifying Party resulting from the Indemnified Party’s failure to give that notice on a timely basis.

## 6.6 Direct Claims

With respect to any Direct Claim, following receipt of notice from the Indemnified Party of the Direct Claim, the Indemnifying Party will have 60 calendar days to make such investigation of the Direct Claim as is considered necessary or desirable. For the purpose of that investigation, the Indemnified Party will make available to the Indemnifying Party the information relied on by the Indemnified Party to substantiate the Direct Claim, together with such information as the Indemnifying Party may reasonably request. If the Parties agree at or prior to the expiry of this 60 calendar day period (or agree to any extension of this period) to the validity and amount of that Direct Claim, the Indemnifying Party will immediately pay to the Indemnified Party the full amount as agreed to by the Parties of the Direct Claim. For clarity, the Indemnified Party will be deemed to have incurred or suffered Losses as of and from the Closing Date as a consequence of any reduction in the value of either the Purchased Shares (where the Indemnifying Party is a Shareholder or the Company) and the Consideration Shares (where the Indemnifying Party is The Purchaser) resulting from an inaccuracy or breach of any representation or warranty by the Indemnifying Party under this Agreement.

## 6.7 Third Party Claims

- (a) With respect to any Third Party Claim, the Indemnifying Party will be entitled (but not required), at its expense, to participate in or assume the conduct of the negotiations, settlement or defence of the Third Party Claim and, in that event, the Indemnifying Party will reimburse the Indemnified Party for all of the Indemnified Party's reasonable out-of-pocket expenses incurred in connection with the negotiations, settlement or defence of the Third Party Claim prior to the Indemnifying Party's assumption of the conduct of the negotiations, settlement or defence of the Third Party Claim.
- (b) If the Indemnifying Party elects to assume the conduct of the negotiations, settlement or defence of the Third Party Claim, the Indemnifying Party will be entitled to retain counsel on behalf of the Indemnified Party who is acceptable to the Indemnified Party, acting reasonably, to represent the Indemnified Party of that Third Party Claim. In any Third Party Claim for which the Indemnifying Party elects to assume that conduct, the Indemnified Party will have the right to participate in the negotiation, settlement or defence of that Third Party Claim and to retain separate counsel to act on its behalf but the fees and disbursements of that counsel will be at the expense of the Indemnified Party unless:
  - (i) the Indemnified Party determines, acting reasonably and on the written advice of external counsel, that actual or potential conflicts of interests exist which make representation chosen by the Indemnifying Party not advisable (such as where the named parties to that Third Party Claim include both the Indemnifying Party and the Indemnified Party, and the defences available to the Indemnified Party are different or in addition to those available to the Indemnifying Party); or
  - (ii) the Indemnifying Party has authorized the retention of that counsel.
- (c) If the Indemnifying Party, having elected to assume that conduct, thereafter fails to defend the Third Party Claim within a reasonable time, the Indemnified Party will be entitled to assume that conduct, and the Indemnifying Party will be bound by the results obtained by the Indemnified Party with respect to that Third Party Claim. If any Third Party Claim is of a nature such that the Indemnified Party is required by Applicable Law to make a payment to any Person (a "**Third Party**") with respect to the Third Party Claim before the completion of settlement negotiations or related legal proceedings, the Indemnified Party will provide prior

written notice of that payment to the Indemnifying Party and thereafter may make that payment and the Indemnifying Party will, forthwith after demand by the Indemnified Party, reimburse the Indemnified Party for that payment. If the amount of any liability of the Indemnified Party under the Third Party Claim in respect of which that payment was made, as finally determined, is less than the amount that was paid by the Indemnifying Party to the Indemnified Party, the Indemnified Party will, forthwith after receipt of the difference from the Third Party, pay the amount of that difference to the Indemnifying Party.

## 6.8 Settlement of Third Party Claims

- (a) If the Indemnifying Party undertakes the defence of the Third Party Claim, the Indemnifying Party will not be bound by any determination of the Third Party Claim or any compromise or settlement of the Third Party Claim effected without the consent of the Indemnifying Party (which consent may not be unreasonably withheld or delayed).
- (b) Whether or not the Indemnifying Party assumes conduct of the negotiation, settlement or defence of any Third Party Claim, the Indemnifying Party will not settle any Third Party Claim without the written consent of the Indemnified Party, which consent cannot be unreasonably withheld or delayed, except that the liability of the Indemnifying Party will be limited to the proposed amount if any such consent, which cannot be unreasonably withheld or delayed, is not obtained and the Indemnified Party will indemnify and save harmless the Indemnifying Party from and against any Losses resulting from or arising out of the failure of the Indemnified Party to consent to that settlement.

## 6.9 Co-Operation

The Indemnified Party and the Indemnifying Party will co-operate fully with each other with respect to Third Party Claims, and will keep each other fully advised with respect to that Third Party Claim (including supplying copies of all relevant documentation promptly as it becomes available). Where the defence of a Third Party Claim is being undertaken and conducted by the Indemnifying Party, the Indemnified Party will use all reasonable efforts to make available to the Indemnifying Party, at the request and expense of the Indemnifying Party, those employees of the Indemnified Party whose assistance, testimony or presence is reasonably necessary to assist the Indemnifying Party in evaluating and defending that Third Party Claim.

## 6.10 Gross-up

- (a) If an amount paid or payable pursuant this Article 6 is subject to Tax, whether by deduction from or withholding from such amount or upon receipt of or entitlement to receipt of such amount, after taking into account any offsetting deduction or tax credit available in respect of the applicable Losses, then the amount payable by the Indemnifying Party will be increased by an amount (the “**Increased Amount**”) such that the Indemnified Party will be in the same position after paying Tax on the amount paid or payable or after such withholding has occurred, including any Taxes payable on the Increased Amount, as the Indemnified Party would have been in had the Losses giving rise to such payment not arisen and had such amount not been payable.
- (b) The recipient or expected recipient of a payment under this Article 6 will claim from the appropriate Tax authority any exemption, rate reduction, refund, credit or similar benefit (including pursuant to any relevant double tax treaty) to which it is entitled in respect of any deduction or withholding in respect of which a payment has been or would otherwise be required to be made pursuant to Section 6.10(a) and, for such purposes will, within any

applicable time limits, submit any claims, notices, returns or applications and send a copy of them to the Indemnifying Party.

- (c) If the Indemnified Party receives a refund of any Tax payable by it then it will reimburse the Indemnifying Party such part of such Increased Amount paid to it pursuant to Section 6.10(a) as the Indemnified Party certifies to the Indemnifying Party will leave it (after such reimbursement) in no better and no worse position that it would have been if the Indemnifying Party had not been required to make such deduction or withholding or the Indemnified Party had not suffered Tax on receipt of such amount.

## **6.11 Exclusivity**

Unless otherwise provided in this Agreement, the provisions of this Article 6 will apply to any Claim for breach of covenants, representation, warranty or other obligation or provision of this Agreement or any Contract, agreement, instrument, certificate or other document delivered pursuant to this Agreement (other than a Claim for specific performance or injunctive relief) and to any and all other indemnities provided in this Agreement or in any Contract, agreement, instrument, certificate or other document delivered pursuant to this Agreement with the intent that unless otherwise provided all such Claims and indemnities will be brought only in accordance with the specific provisions of this Article 6.

## **6.12 General Indemnification Rules**

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

- (a) without limiting the generality of Sections 6.1, 6.2 and 6.3, any Claim for breach of any representation, warranty or covenant shall be subject to Section 4.4 and 4.5;
- (b) the Indemnifying Party's obligation to indemnify the Indemnified Party shall only apply to the extent that the Claims in respect of which the Indemnifying Party has given an indemnity, in the aggregate, exceed \$50,000;
- (c) notwithstanding anything to the contrary in this Agreement, the aggregate liability of a Shareholder under this Agreement shall be limited to 100% of the value of the Consideration Shares received by such Shareholder, it being understood that for such purpose the value assigned to each Consideration Share will be the deemed price per Consideration Share determined in accordance with Section 2.2;
- (d) a Shareholder who is an Indemnifying Party may, at its option, elect to satisfy any Claim for which it is determined to be liable by either (i) payment of the amount of such Claim in cash, or (ii) by transferring to the Purchaser for cancellation such number of Consideration Shares owned by such Shareholder as is equal to the value of such Claim, it being understood that for such purpose the value assigned to each Consideration Share will be the deemed price per Consideration Share determined in accordance with Section 2.2. For greater certainty, if such Shareholder elects to satisfy such Claim by transferring Consideration Shares to the Purchaser for cancellation, the Purchaser shall have no recourse whatsoever to any other property, assets, rights or interests of such Shareholder for the purpose of satisfying such Claim; and
- (e) in no event shall any Indemnifying Party be liable to any Indemnified Party for any exemplary, punitive, incidental, consequential, special or indirect damages, including loss of future revenue, income or profit, loss of business reputation or opportunity relating to the breach or

alleged breach of this Agreement, or diminution of value or any Claim based on any type of multiple (including, without limitation, multiple of earnings or multiple of cash flow methodologies).

## ARTICLE 7 - GENERAL

### 7.1 Confidentiality of Information

- (a) For the purposes of this Section 7.1, “**Confidential Information**” of a Party at any time means all information relating to that Party which at the time is of a confidential nature (whether or not specifically identified as confidential), and has been or is from time to time made known to or is otherwise learned by the relevant other Party or any of its Representatives as a result of the matters provided for in this Agreement, and includes:
  - (i) the terms of this Agreement and of any other Contract, agreement, instrument, certificate or other document to be entered into as contemplated by this Agreement;
  - (ii) a Party’s business records;
  - (iii) all information regarding a Party’s business operations; and
  - (iv) all trade secrets or confidential or proprietary information of the Parties.
- (b) Notwithstanding the foregoing, Confidential Information does not include any information that at the time has become generally available to the public other than as a result of a disclosure by the other Party or any of its Representatives, any information that was available to the other Party or its Representatives on a non-confidential basis before the date of this Agreement or any information that becomes available to the other Party or its Representatives on a non-confidential basis from a Person (other than the Party to which the information relates or any of its Representatives) who is not, to the knowledge of the other Party or its Representatives, otherwise bound by confidentiality obligations to the Party to which the information relates in respect of the information or otherwise prohibited from transmitting the information to the other Party or its Representatives.
- (c) Each Party will (and will cause each of its Representatives to) hold in strictest confidence and not use in any manner, other than as expressly contemplated by this Agreement, all Confidential Information of the other Parties.
- (d) Subject to Section 7.2, Section 7.1(c) will not apply to the disclosure of any Confidential Information where that disclosure is pursuant to the Party’s duties as an officer, director, or employee of a Party, or is required by Applicable Law. In the case of disclosure required by Applicable Law, the Party required to disclose (or whose Representative is required to disclose) will, as soon as possible in the circumstances, notify the other Parties of the requirement of the disclosure including the nature and extent of the disclosure and the provision of Applicable Law pursuant to which the disclosure is required. To the extent possible, the Party required to make the disclosure will, before doing so, provide to the other Parties the text of any disclosure. On receiving the notification, the other Parties may take any reasonable action to challenge the requirement, and the affected Party will (or will cause the applicable Representative to), at the expense of the other Parties, assist the other Parties in taking that reasonable action.

## **7.2 Public Announcements**

- (a) No Shareholder will make any further public statement or issue any further press release concerning this Agreement or the Transaction except as agreed by the Parties acting reasonably or as may be necessary, in the opinion of counsel to the Shareholder making that disclosure, to comply with the requirements of all Applicable Law.
- (b) Neither the Company nor the Purchaser will make any further public statement or issue any further press release concerning this Agreement or the Transaction except as agreed by the other Party acting reasonably or as may be necessary, in the opinion of counsel to the Party making that disclosure, to comply with the requirements of all Applicable Law. If any public statement or release is so required, the Party making the disclosure will consult with the other Party before making that statement or release, and the Company and the Purchaser will use all reasonable efforts, acting in good faith, to agree on a text for the statement or release that is satisfactory to them and for such statement or release to be made in a timely manner.

## **7.3 Expenses**

Each Party will pay all expenses (including Taxes imposed on those expenses) it incurs in the authorization, negotiation, preparation, execution and performance of this Agreement and the Transaction, including all fees and expenses of its legal counsel, accountants or other representatives or consultants.

## **7.4 No Third Party Beneficiary**

This Agreement is solely for the benefit of the Parties and no third parties will accrue any benefit, Claim or right of any kind pursuant to, under, by or through this Agreement.

## **7.5 Entire Agreement**

This Agreement, together with the other agreements to be entered into as contemplated by this Agreement or respecting the Transaction, constitute the entire agreement among the Parties pertaining to the subject matter of this Agreement and supersede all prior correspondence, agreements, negotiations, discussions and understandings, written or oral. Except as specifically set out in this Agreement, there are no representations, warranties, conditions or other agreements or acknowledgements, whether direct or collateral, express or implied, written or oral, statutory or otherwise, that form part of or affect this Agreement or which induced any Party to enter into this Agreement. No reliance is placed on any representation, warranty, opinion, advice or assertion of fact made either prior to, concurrently with, or after entering into, this Agreement, or any amendment or supplement thereto, by any Party to this Agreement or its Representatives, to any other Party or its Representatives, except to the extent the representation, warranty, opinion, advice or assertion of fact has been reduced to writing and included as a term in this Agreement, and none of the Parties to this Agreement has been induced to enter into this Agreement or any amendment or supplement by reason of any such representation, warranty, opinion, advice or assertion of fact. There will be no liability, either in tort or in contract, assessed in relation to the representation, warranty, opinion, advice or assertion of fact, except as contemplated in this Section.

## **7.6 Non-Merger**

Except as otherwise provided in this Agreement, the covenants, representations and warranties set out in this Agreement do not merge but survive Closing and, notwithstanding such Closing or any investigation by or on behalf of a Party, continue in full force and effect. Closing does not prejudice any right of one



Party against another Party in respect of any remedy in connection with anything done or omitted to be done under this Agreement.

#### **7.7 Time of Essence**

Time is of the essence of this Agreement.

#### **7.8 Amendment**

No amendment, addition, deletion or other modification to this Agreement will be effective unless in writing and signed by each Party.

#### **7.9 Waiver of Rights**

Any waiver or consent will be effective only in the instance and for the purpose for which it is given. A failure to enforce any breach of this Agreement by any Party does not constitute a waiver of such breach or any provision of this Agreement by such Party.

#### **7.10 Severability**

Any provision of this Agreement that is or becomes unenforceable will be unenforceable to the extent of such unenforceability without invalidating the remaining provisions hereof. To the extent permitted by Applicable Law, each of the Parties hereby waives any provision of law that renders any provision hereof unenforceable in any respect.

#### **7.11 Governing Law**

This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia, and the federal laws of Canada applicable therein, and each Party irrevocably attorns to the courts of the Province of British Columbia, which jurisdiction will be the sole and exclusive jurisdiction for any disputes or claims in relation to this Agreement and all matters related hereto.

#### **7.12 Notices**

- (a) All notices, requests, demands, claims, and other communications required or permitted hereunder (each, a “**Notice**”) will be in writing and will be delivered by (i) personal delivery, (ii) certified or registered mail (first class postage pre-paid), (iii) guaranteed overnight delivery by recognized national courier, or (iv) by e-mail, addressed to the address for a Party indicated on in this Section 7.12 (or to such other addresses which such Party will subsequently designate by like notice to the other Parties).
- (b) Any Notice made or given by personal delivery, courier or email to the Party to whom it is addressed as provided above will be deemed to have been given and received on the day it is so delivered at such address or, in the case of an email, the day in which transmission is confirmed. If such day is not a Business Day, or if the Notice is received after 4:00 p.m. (addressee’s local time), then the Notice will be deemed to have been given and received on the next Business Day. Any Notice sent by prepaid registered mail will be deemed to have been given and received on the fifth (5<sup>th</sup>) Business Day following the date of its mailing. Notices sent to an e-mail address will be deemed to be received upon the sender’s receipt of an automatic or other written acknowledgement from the intended recipient.

- (c) Any Notice required or permitted to be delivered to one or more Shareholders hereunder may be delivered to the Company on behalf of such one or more Shareholders.
- (d) The address for service of each of the Parties hereto shall be as follows:

if to the Purchaser:

Looking Glass Labs Ltd.  
Suite 600-1090 West Georgia Street  
Vancouver, BC V6E 3V7  
Attn: CEO  
Email: [REDACTED CONTACT INFORMATION]

with a copy to:

BVU Venture Law Corporation  
810-789 West Pender Street  
Vancouver, BC V6C 1H2  
Attn: Binh Vu  
Email: [REDACTED CONTACT INFORMATION]

if to the Shareholders and/or the Company:

Web 3.0 Holdings Corp.  
38 Prince Arthur Ave.  
Toronto, ON M5R 1A9  
Attn: President  
Email: [REDACTED CONTACT INFORMATION]

with a copy to:

Fish LPC  
Suite 409 - 22 Leader Lane,  
Toronto, ON M5E 0B2  
Attn: Matt Fish  
Email: [REDACTED CONTACT INFORMATION]

or such other address as may be designated by notice to the other Parties.

### **7.13 Assignment**

This Agreement may not be assigned, transferred or otherwise conveyed by any Party in whole or in part without the express prior written consent of the other Party.

### **7.14 Successors**

This Agreement will enure to the benefit of and be binding upon the Parties and their heirs, executors, administrators, personal representatives, respective successors and permitted assigns.

### **7.15 Further Assurances**

The Parties will at all times do, execute, acknowledge and deliver such acts, deeds, agreements and other

instruments as may be reasonably necessary or desirable to give full force and effect to the terms of this Agreement.

#### **7.16 Counterparts**

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by facsimile or electronic means will be equally effective as delivery of a manually executed counterpart thereof.

*[Remainder of page left intentionally blank]*

**IN WITNESS WHEREOF**, the Parties have duly executed this Agreement on the date first above written.

**LOOKING GLASS LABS LTD.**

By: "signed"  
Authorized Signatory

**Web 3.0 Holdings Corp.**

By: "signed"  
Authorized Signatory

**SCHEDULE A**

	<u>Name and Address</u>	<u>% Ownership of Web3</u>	<u>Number of Securities</u>
1	Lucas Stemshorn-Russell [REDACTED]	36.16%	5,000,000
2	Brodie Wagner and Kimberly Wagner [REDACTED]	2.89%	400,000
3	James Blake [REDACTED]	2.89%	400,000
4	Scot Robinson [REDACTED]	1.45%	200,000
5	Spiro Angelos [REDACTED]	1.45%	200,000
6	2200049 Alberta Inc. [REDACTED]	1.51%	208,333
7	Matthew Fish [REDACTED]	12.05%	1,666,667
8	1000288854 Ontario Inc. [REDACTED]	9.04%	1,250,000
9	LORNE WARNER [REDACTED]	1.45%	200,000
10	MS KELLY DHALIWAL [REDACTED]	1.45%	200,000

	[REDACTED]		
11	JOHN CASHIN AND/OR DARLENE CASHIN JTWROS [REDACTED]	2.89%	400,000
12	ABOVE AND BEYOND FUNERAL SERVICES CORP DBA DEVLIN FUNERAL HOME [REDACTED]	1.45%	200,000
13	MR DAN SMITH [REDACTED]	1.45%	200,000
14	LORI BROKER [REDACTED]	1.45%	200,000
15	ODORCHEM MANUFACTURING CORP. [REDACTED]	0.72%	100,000
16	LORI QUINN [REDACTED]	2.89%	400,000
17	MR LARRY WOLYNETZ [REDACTED]	0.90%	125,000
18	H.WOLYNETZ INVESTMENTS LTD [REDACTED]	0.90%	125,000
19	PIONEER GARAGE LIMITED [REDACTED]	4.34%	600,000

	[REDACTED]		
20	MR GUY ELLIOTT [REDACTED]	0.72%	100,000
21	BURTON EGGER [REDACTED]	1.81%	250,000
22	MR PAUL DIPASQUALE [REDACTED]	3.25%	450,000
23	MARAH AL KIWAN [REDACTED]	2.17%	300,000
24	JASON WHITE [REDACTED]	1.45%	200,000
25	MR TERRY SKLAVENITIS [REDACTED]	1.08%	150,000
26	MS SANDINA SKLAVENITIS [REDACTED]	1.08%	150,000
27	Haywood Securities Inc. [REDACTED]	1.10%	152,250
		<b>100.00%</b>	<b>13,827,250</b>