

ASSET PURCHASE AGREEMENT

THIS AGREEMENT made the 26th day of November, 2019.

BETWEEN:

9385-4594 QUEBEC INC., a corporation incorporated in the Province of Quebec;

(the “**Vendor**”)

– and –

EUROLIFE BRANDS INC., a corporation incorporated under the laws of British Columbia and having a registered office at Suite 804 – 750 West Pender Street, Vancouver, British Columbia, V6C 2T7;

(the “**Purchaser**”)

RECITALS:

- A. The Vendor is the beneficial owner of Intellectual Property as detailed in Schedule “A”.
- B. The Vendor wishes to sell and the Purchaser wishes to purchase all of the proprietary intellectual property in the jurisdictions of Europe, South America, United States and Canada with an option and first right of approval on all other global jurisdictions (the “**Purchased Assets and Rights**”) (as detailed in Schedule “A”) upon the terms and conditions hereinafter set forth and on a tax-deferred basis in accordance with the rules set out in subsection 85(1) of the *Income Tax Act* (Canada) (the “**Act**”).

NOW THEREFORE, in consideration of the foregoing and the representations, warranties, covenants, conditions, agreements and promises contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties to this Agreement, the Parties agree as follows:

I. DEFINITIONS AND RULES OF INTERPRETATION

I.1. Definitions

Throughout this Agreement, the following terms shall have the following corresponding meanings:

“**Agreement**”, “**this Agreement**”, “**the Agreement**”, “**hereof**”, “**herein**”, “**hereto**”, “**hereby**”, “**hereunder**” and similar expressions mean this section 85 rollover agreement dated November 26, 2019 between the Parties. All references to “Articles” and “Sections” mean and refer to the specified article and section of this Agreement.

“**Act**” has the meaning given to it in Recital B.

“**Shares**” shall have the meaning given to it in Section 2.3.

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

“**Purchase Price**” shall have the meaning given to it in Section 2.3.

“**Purchased Assets and Rights**” shall have the meaning given to it in Recital A.

I.2. Certain Rules of Interpretation

In this Agreement:

- (a) **Time** – Time is of the essence in and of this Agreement.
- (b) **Calculation of Time** – Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends. Where the last day of any such time period is not a Business Day, such time period shall be extended to the next Business Day following the day on which it would otherwise end.
- (c) **Business Days** – Whenever any action to be taken or payment to be made pursuant to this Agreement would otherwise be required to be made on a day that is not a Business Day, such action shall be taken or such payment shall be made on the first Business Day following such day.
- (d) **Currency** – Unless otherwise specified, all references to amounts of money in this Agreement refer to the lawful currency of Canada.
- (e) **Headings** – The descriptive headings preceding Articles and Sections of this Agreement are inserted solely for convenience of reference, are not intended as complete or accurate descriptions of the content of such Articles or Sections, and do not modify the rights and obligations of the Parties under this Agreement. The division of this Agreement into Articles and Sections shall not affect the interpretation of this Agreement.
- (f) **Including** – Where the word “**including**” or “**includes**” is used in this Agreement, it means “**including without limitation**” or “**includes without limitation**”, such that the word “including” or “includes”, following any general statement, term or matter, will not be construed to limit such general statement, term or matter to the specific items or matters set forth immediately following such word to similar items or matters, but will be construed to refer to all other items or matters that could reasonably fall within the scope of such general statement, term or matter, whether or not non-limiting language (such as “without limitation”, “but not limited to” or words of similar import) is used with reference thereto.
- (g) **Plurals and Gender** – The use of words in the singular or plural, or referring to a particular gender, shall not limit the scope or exclude the application of any provision of this Agreement to such persons or circumstances as the context otherwise permits. Whenever required the singular will be deemed to include the plural and vice versa and whenever required the masculine gender will include the feminine and neutral and vice versa.
- (h) **Statutory References** – Any reference to a statute shall mean the statute in force as at the date of this Agreement (together with all regulations promulgated thereunder), as the same may be amended, re-enacted, consolidated or replaced from time to time, and any successor statute thereto, unless otherwise expressly provided.

I.3. Applicable Law

This Agreement shall be construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and shall be treated, in all respects, as a British Columbia contract.

II. PURCHASE AND SALE

II.1. Transfer of Purchased Assets and Rights

The Vendor hereby sells to the Purchaser and the Purchaser hereby purchases from the Vendor the Purchased Assets and Rights for the consideration and upon the terms and conditions hereinafter set forth as of the date of this Agreement. Details of the Purchased Assets and Rights to be acquired by the Purchaser are contained in Schedule "A".

II.2. Purchase Price

The purchase price for the Purchased Assets and Rights shall be 5,666,667 common shares (the "**Shares**") of the Purchaser with a deemed value of \$0.06 per share as of the date hereof which has been computed to be the sum of \$340,000 (the "**Purchase Price**"). The Purchase Price shall be paid and satisfied by the Purchaser allotting, issuing and delivering to the Vendor a share certificate for the Shares in the capital of the Purchaser. The Shares shall be issued as fully paid and non-assessable.

II.3. Filing Documentation

The Parties agree to execute and file all such agreements, elections and other documents as may be necessary or advisable in order that the transactions shall be completed on an income tax deferred basis in accordance with the rules set out in subsection 85(1) of the Act. The Parties hereby agree and state their intention that no income taxes be incurred by the Vendor as a result of this transaction. The Parties agree to file all necessary tax election forms with the taxation authorities within the time limit set out in the Act.

II.4. Tax Authorities Amendment

The Parties agree that the income tax election form(s) will be amended where advisable, including circumstances where the taxation authorities challenge the fair market value assigned to the Purchased Assets and Rights on the tax election form.

III. REPRESENTATIONS AND WARRANTIES

III.1. Representations and Warranties of the Vendor

The Vendor hereby represents and warrants to the Purchaser that:

- (a) The Vendor has full corporate power, capacity and authority to undertake all steps of the transaction contemplated herein and to carry out its obligations under this Agreement;
- (b) The Vendor owns and possesses adequate enforceable rights to use all trademarks, patents, copyrights and trade secrets used or proposed to be used in the conduct of the business thereof and, to the best of the Vendor's knowledge, after due inquiry, the Vendor is not infringing upon the rights of any other person with respect to any such trademarks, patents, copyrights or trade secrets and, no person has infringed any such trademark, patents, copyrights or trade secrets;
- (c) the Vendor beneficially owns the Purchased Assets and Rights free and clear of any claim, lien, charge or encumbrance whatsoever;

- (d) there is not now any contract, option or right (at law, in equity or otherwise) binding upon the Vendor to sell, charge, assign or alienate any interest in the Purchased Assets and Rights;
- (e) there is not now any agreement or other instrument binding upon the Vendor that will be violated by the execution and delivery of this Agreement or will prevent the performance or satisfaction by the Vendor of any of the terms and conditions herein contained;
- (f) other than the usual filings with the Canada Revenue Agency as they may be applicable to the sale and purchase of the Purchased Assets and Rights under this Agreement and the Act, no notices, reports or other filings are required to be made by the Vendor with, nor are any consents, registrations, approvals, permits or authorizations are required to be obtained by the Vendor from, any governmental or regulatory authority, or any other party or parties, in connection with the execution and delivery of this Agreement by the Vendor and the performance of its obligations hereunder;
- (g) There is no legal, administrative, arbitration or other proceeding:
 - (i) pending to which the Vendor is a party, or known by the Vendor to be threatened that could adversely impact the Vendor's ability to sell the Purchased Assets and Rights; or
 - (ii) not yet threatened but known by the Vendor to be capable of assertion (and which, if asserted, could have an adverse impact on the ability of the Vendor to sell the Purchased Assets and Rights to the Purchaser);
- (h) The Vendor is not subject to any outstanding judgment, order or decree of any court or administrative agency and there has been no action, suit or proceeding instituted before a court or governmental body, or instituted or threatened by any governmental agency or body: (a) to restrain or prevent the carrying out of the transactions contemplated by this Agreement; or (b) in which the plaintiff claims a lien, security interest or any other interest in the Purchased Assets and Rights;
- (i) The Vendor is not bankrupt or has taken the benefit of any law that may be in force for bankrupt or insolvent debtors or become involved in voluntary or involuntary bankruptcy, winding up of the Vendor's business, dissolution, liquidation or similar proceedings;
- (j) the Purchased Assets and Rights are all or substantially all of the property used in a commercial activity that forms all or part of a business carried on by the Vendor;
- (k) no representation, warranty or statement of the Vendor in this Agreement contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary to make the statements contained herein or therein, in light of the circumstances under which they were made, not misleading;
- (l) all written and factual information previously furnished or to be furnished to the Purchaser by or on behalf of the Vendor in the data room or otherwise for this transaction, is true and accurate in every material respect and such information is not incomplete by the omission of any material fact necessary to make such information not misleading; and
- (m) the Vendor is not a non-resident of Canada for the purposes of the Act.

III.2. Representations and Warranties of the Purchaser

- (a) The Purchaser hereby represents and warrants to the Vendor that it has full power and authority to enter into this Agreement and to consummate the transactions contemplated hereby.
- (b) The Purchaser hereby represents and warrants to the Vendor that the Purchaser is a “taxable Canadian corporation” within the meaning of the Act and for greater clarity, for purposes of meeting the requirements of subsection 85(1) of the Act.

III.3. Survival

The representations and warranties contained in Article III shall survive the closing of the transaction.

IV. THE CLOSING

IV.1. Closing

The closing shall occur as of 10:00 a.m. Vancouver time within 10 business days from the date of this Agreement, or any such date the Purchaser may determine, at which time:

- (a) the Vendor shall deliver the Purchased Assets and Rights to the Purchaser; and
- (b) the Purchaser shall deliver to the Vendor the consideration as provided for in Section 2.2 hereof.

V. MISCELLANEOUS

V.1. Assignment and Enurement

Neither this Agreement nor any benefits or burdens under this Agreement shall be assignable by any Party, without the prior written consent of each of the other Parties, which consent shall not be unreasonably withheld or delayed. Subject to the foregoing, this Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors (including any successor by reason of amalgamation or merger of any Party) and permitted assigns hereunder.

V.2. Expenses

Each Party to this Agreement shall pay its respective legal, accounting and other professional advisory fees, costs and expenses incurred in connection with the negotiation, preparation and execution of this Agreement and all documents and instruments executed or delivered pursuant to this Agreement, as well as any other fees, costs and expenses incurred.

V.3. Further Assurances

The Parties shall do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Agreement, and each Party shall provide such further documents or instruments required by any other Party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions.

V.4. Execution by Electronic Transmission

The signature of any of the Parties hereto may be evidenced by a facsimile, scanned email or internet transmission copy of this Agreement bearing such signature.

V.5. Counterparts

This Agreement may be signed in one or more counterparts, each of which so signed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument. Notwithstanding the date of execution or transmission of any counterpart, each counterpart shall be deemed to have the effective date first written above.

V.6. Transfer of IP to an IP Holding Company

This Agreement may be modified or amended to allow the Parties to structure the transfer of the IP in a manner that would best serve both parties' interests from a tax planning perspective. Tax lawyers and accountants to advise on the final structure as agreed by both parties

[SIGNATURE PAGES TO IMMEDIATELY FOLLOW]

IN WITNESS WHEREOF the Parties have duly executed this Agreement as of the date first written above.

9385-4594 QUEBEC INC

Per: “Simon Yaylagul”

Name: Simon Yaylagul

EUROLIFE BRANDS INC.

Per: “Shawn Moniz”

Name: Shawn Moniz

Title: CEO

Schedule "A"

The Purchased Assets and Rights

The Purchased Assets and Rights include:

- i. All exclusive rights to the Vendor's brand, currently operating as "COMFORT. BOLD. DELICIOUS" including all intellectual property and product lines, all of Europe, South America, United States and Canada with an option and first right of approval on all other global jurisdictions (the "**Exclusive Jurisdiction**") for 10 years from the date of this Agreement.
- ii. A 51% interest in all pending trademarks of the Vendor.
- iii. A right of first refusal ("**ROFR**") for the commercialization of the Vendor's brand, intellectual property, and product lines ("**Additional Rights**") for all other jurisdictions outside of the Exclusive Jurisdiction. The Vendor shall provide written notice to the Purchaser (a "**ROFR Notice**"), at any time and from time to time, if the Vendor intends to sell the Additional Rights to a third-party purchaser, which shall include all pertinent terms and conditions of such proposed sale including the royalty rate and/or the consideration therefor, and shall be accompanied by a copy of the agreement, contract, offer or other instrument governing the terms thereof. The Purchaser shall have sixty (60) days from the date it receives such ROFR Notice (the "**ROFR Exercise Period**") to provide written notice to the Vendor (the "**ROFR Acceptance Notice**") confirming that the Purchaser intends to acquire the Additional Rights at the same price (or its monetary equivalent in cash or currency), and on substantially the same terms and conditions, as disclosed or referenced in the ROFR Notice and any documents delivered therewith. If the Purchaser fails to deliver a ROFR Acceptance Notice to the Purchaser during the ROFR Exercise Period, or if the Purchaser notifies the Vendor that it is declining to purchase the Additional Rights, the Vendor shall: (i) have ninety (90) days following the expiration of such period to grant the Additional Rights to an arm's length party at a price and upon terms no more favourable to the applicable arm's length party, as purchaser, than those offered by the Vendor to the Purchaser in the ROFR Notice; AND shall grant a ten percent (10%) gross sales royalty to the Purchaser for all sales arising from the commercialization of the Additional Rights. If the Vendor fails to complete the sale of the Additional Rights to the arm's length party within such 90 day period, the Purchaser's preferential right to acquire such Additional Rights shall be deemed to be revived, and any subsequent proposal to grant a royalty or sale on or in respect of the Additional Rights, shall be conducted in accordance with all of the procedures described in this Section.