

## SHARE PURCHASE AGREEMENT

THIS AGREEMENT is dated as of March 31st, 2021,

AMONG:

**PAYRIGHT PTE LTD.**, a company existing under the laws of Singapore.

(the “**Company**”)

AND:

**THE VENDORS REFERRED TO IN SCHEDULE “A” ATTACHED HERETO**

(collectively, the “**Vendors**”)

AND:

**CANNAONE TECHNOLOGIES INC.**, a company existing under the laws of the Province of British Columbia

(the “**Purchaser**”)

WHEREAS:

- A. The Vendors are the registered and beneficial owners of 12,705 Company Shares (as hereafter defined), representing 100% of all the issued and outstanding share capital of the Company; and
- B. The Vendors have agreed to sell to the Purchaser, and the Purchaser has agreed to purchase from the Vendors, 51% of the outstanding Company Shares, pursuant to the terms and conditions of this Agreement;

THEREFORE this Agreement witnesses that in consideration of the premises and mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is acknowledged by each party hereto, the parties agree as follows:

### **1. Definitions and Interpretation**

1.1 In this Agreement and the recitals hereto, unless the context otherwise requires, the following expressions will have the following meanings:

- (a) “**Acquisition Closing**” means the completion of the purchase and sale of the Purchased Shares in accordance with the terms and conditions of this Agreement;
- (b) “**Acquisition Closing Date**” means the date on which the Acquisition Closing occurs;
- (c) “**Adverse Interests**” means any lien, charge, mortgage, hypothec, pledge, assignment, option, lease, sublease, right to possession, or other security interest, encumbrance, or adverse right, restriction, or interest of any nature or kind;

- (d) **“Agreement”** means this share purchase agreement, as may be amended from time to time;
- (e) **“Applicable Law”** means:
  - (i) any domestic or foreign statute, law (including common and civil law), code, ordinance, rule, regulation, restriction, or bylaw; or
  - (ii) any judgment, order, ruling, decision, writ, decree, injunction, or award, of any governmental entity, statutory body, or self-regulatory authority (including a stock exchange), to the extent that the same is legally binding on the person referred to in the context in which the term is used;
- (f) **“Authorization”** means, with respect to any person, any order, permit, approval, consent, waiver, licence, or similar authorization of any Governmental Authority having jurisdiction over the person;
- (g) **“Company”** has the meaning set forth on the first page of this Agreement;
- (h) **“Company Disclosure Schedule”** means the Disclosure Schedule delivered by the Company and the Vendors to the Purchaser contemporaneous with the execution of this Agreement;
- (i) **“Company Employee”** means the officers and employees of the Company, and for the purpose of this Agreement, includes any independent contractors of the Company;
- (j) **“Company Shares”** means the common shares in the capital of the Company, with no par value, as constituted as of the date of this Agreement;
- (k) **“Consideration Shares”** has the meaning set forth in Section 2.2 of this Agreement;
- (l) **“Effective Date”** means the date of this Agreement as set forth on the first page hereof;
- (m) **“Facility”** has the meaning set forth in Section 2.8 of this Agreement;
- (n) **“Financial Statements”** means unaudited the financial statements of the Company for the periods ending March 25, 2021;
- (o) **“GAAP”** means generally accepted accounting principles as set forth in the CPA Canada Handbook - Accounting for an entity that prepares its financial statements in accordance with International Financial Reporting Standards, at the relevant time, applied on a consistent basis;
- (p) **“Governmental Authority”** means any federal, provincial, state, local, municipal, regional, territorial, aboriginal, or other government or governmental, administrative, regulatory, or judicial body, arbitration panel or authority, department, commission, authority, tribunal, agency, or entity;
- (q) **“Indemnified Party”** means a Purchaser Indemnified Party or a Vendor

Indemnified Party;

- (r) **“Indemnifying Party”** means the Party providing indemnification under any provision of Section 11;
- (s) **“Intellectual Property”** means domestic and foreign intellectual property rights, including: (a) inventions, patents, applications for patents and reissues, divisions, continuations, re-examinations, renewals, extensions, and continuations-in-part of patents or patent applications; (b) copyrights, copyright registrations, and applications for copyright registration; (c) inventions (whether patentable or not), inventive ideas, discoveries, innovations, and developments; (d) designs and similar rights, design registrations, and design registration applications; (e) trade names, business names, corporate names, domain names, website names and world wide web addresses, common law trade-marks, trade-mark registrations, trade-mark applications, trade dress and logos, and the goodwill associated with any of the foregoing; and (f) trade secrets, confidential information, and know-how;
- (t) **“ITA”** means the *Income Tax Act (Canada)*;
- (u) **“Legal Proceeding”** means any action, suit, claim, litigation, complaint, grievance, application, arbitration, inquiry, investigation, hearing, or other civil, criminal, regulatory, or administrative proceeding or other similar proceeding, at law or in equity, before or by any court, agency, commission, tribunal, panel, or other judicial, governmental, or administrative body or authority and includes any appeal or review thereof and any application or leave for appeal or review;
- (v) **“Loss”** means any losses, damages, penalties, liabilities, costs, charges, and expenses (including, without limitation, reasonable legal fees and expenses);
- (w) **“Material Adverse Effect”** means an effect, change, event, occurrence, fact, or circumstance that, individually or in the aggregate with another such effect, change, event, occurrence, fact, or circumstance, is or would be reasonably expected to be material and adverse to the business, affairs, operations, property, assets, liabilities, financial condition, financial results, capital, or prospects (financial or otherwise) of the Company or the Purchaser, as applicable, or which could or could be reasonably expected to prevent, materially delay or materially impair the ability of the respective parties to complete the transactions contemplated by this Agreement and to otherwise consummate the transactions contemplated in this Agreement, except any such effect resulting from or arising in connection with:
  - (i) any adoption, implementation, proposal, or change in Applicable Law or any interpretation thereof by any governmental entity;
  - (ii) any change in global, national, or regional political conditions (including the outbreak of war or acts of terrorism) or in national or global financial or capital markets or in general economic, business, political, regulatory, or market conditions;
  - (iii) any natural disaster;

- (iv) impacts related to COVID-19, including any general economic, business, political, regulatory, or market conditions; or
- (v) the announcement of this Agreement or any transactions contemplated herein, or otherwise contemplated by or arising as a result of the terms of this Agreement;

provided, however, that with respect to clauses (ii), (iii), and (iv), such matter does not have a materially disproportionate effect on the Company or the Purchaser, as applicable, each taken as a whole, relative to other comparable companies and entities operating in the industries in which the Company or the Purchaser operates;

- (x) **“Material Contract”** means any contract that:
  - (i) involves or would result in the payment of money or money’s worth by or to the Company in an amount in excess of \$5,000;
  - (ii) has an unexpired term of more than one year (including renewals);
  - (iii) cannot be terminated by the Company without penalty upon less than 30 days’ notice; or
  - (iv) if terminated or modified or if it ceased to be in effect, would reasonably be expected to have a Material Adverse Effect on the Company or the Purchaser (on a consolidated basis), as applicable;
- (y) **“Party”** means any party to this Agreement, and **“Parties”** means all such parties;
- (z) **“Purchased Shares”** means 51% of the issued and outstanding Company Shares, to be acquired by the Purchaser from the Vendors in accordance with the terms and conditions of this Agreement, as set out in Schedule “A” hereto;
- (aa) **“Purchaser”** has the meaning set forth on the first page of this Agreement;
- (bb) **“Purchaser Employee”** means the officers and employees of the Purchaser, and for the purpose of this Agreement, includes any independent contractors of the Purchaser;
- (cc) **“Purchaser Indemnified Parties”** means the Purchaser and its directors, officers, shareholders, agents, consultants, and employees;
- (dd) **“Purchaser Intellectual Property”** has the meaning set forth in Section 4.3(m) of this Agreement;
- (ee) **“Purchaser Shares”** means the common shares in the capital of the Purchaser;
- (ff) **“Regulation S”** means Regulation S promulgated under the U.S. Securities Act;

- (gg) **“Shareholders Agreement”** means the agreement to be entered into by the Vendors, the Company and the Purchaser as contemplated in Section 2.7 of this Agreement;
- (hh) **“Tax Returns”** means any and all returns, reports, declarations, elections, notices, forms, designations, filings, and statements (including estimated tax returns and reports, withholding tax returns, and reports and information returns and reports) filed or required to be filed in respect of Taxes;
- (ii) **“Taxes”** means: (a) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies, and other charges or assessments of any kind whatsoever imposed by any Governmental Authority, whether computed on a separate, consolidated, unitary, combined, or other basis, including those levied on, or measured by, or described with respect to, income, gross receipts, profits, gains, windfalls, capital, capital stock, production, recapture, transfer, land transfer, licence, gift, occupation, wealth, environment, net worth, indebtedness, surplus, sales, goods and services, harmonized sales, use, value-added, excise, special assessment, stamp, withholding, business, franchising, real or personal, health, employee health, payroll, workers’ compensation, employment or unemployment, severance, social services, social security, education, utility, surtaxes, customs, import or export and including all licence and registration fees and all employment insurance, health insurance and government pension plan premiums or contributions; (b) all interest, penalties, fines, additions to tax, or other additional amounts imposed by any Governmental Authority on or in respect of amounts described in clause (a) above or this clause (b); (c) any liability for the payment of any amounts of the type described in clauses (a) or (b) as a result of being a member of an affiliated, consolidated, combined, or unitary group for any period; and (d) any liability for the payment of any amounts described in clauses (a) or (b) as a result of any express or implied obligation to indemnify any other person or as a result of being a transferee or successor in interest to any party;
- (jj) **“Termination Date”** means the date this Agreement is terminated in accordance with Article 7;
- (kk) **“Third Party Claim”** means a claim made against an Indemnified Party by a person who is not a Party;
- (ll) **“U.S. Person”** means a (a) U.S. Person as that term is defined in Rule 902(o) of Regulation S; (b) any person purchasing securities on behalf or the account or benefit of any “U.S. Person” or any person in the United States; (c) any person that receives or received an offer of the securities while in the United States; (d) any person that is in the United States at the time the purchaser’s buy order was made or this subscription was executed or delivered. “U.S. person” includes but is not limited to (i) any natural person resident in the United States; (ii) any partnership or corporation organized or incorporated under the laws of the United States; (iii) any partnership or corporation organized outside the United States by a U.S. person principally for the purpose of investing in securities not registered under the U.S. Securities Act, unless it is organized or incorporated, and owned, by accredited investors who are not natural persons, estates or trusts; (iv) any estate or trust of which any executor or administrator or trustee is a U.S. person;

- (mm) **“U.S. Securities Act”** means the United States *Securities Act of 1933*, as amended;
- (nn) **“Vendors”** has the meaning set forth on the first page of this Agreement;
- (oo) **“Vendor Indemnified Parties”** means the Vendors and their respective directors, officers, shareholders, agents, consultants, employees, and successors;

1.2 In this Agreement, unless something in the subject matter or context is inconsistent therewith:

- (a) the division of this Agreement into articles, sections and other subdivisions and the use of headings are for convenience only and are not intended to define, interpret or limit the scope, extent or intent of this Agreement;
- (b) the words “hereof”, “hereto”, “herein”, “hereby”, “herewith” 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;
- (c) the word “or” is not exclusive and the word “including” is not limiting (whether or not non-limiting language is used with reference thereto);
- (d) a “day” shall refer to a calendar day, and references to a “business day” shall refer to days on which banks are ordinarily open for business in Vancouver, British Columbia, other than a Saturday or a Sunday or statutory holiday in the Province of British Columbia; in calculating all time periods the first day of a period is not included and the last day is included, and if a date is or a time period ends on a day which is not a business day, such date will be extended and the time period will be deemed to expire on the next business day;
- (e) references to “\$” or “dollars” are references to the lawful currency of Canada and references to “USD\$” and US dollars are references to the lawful currency of the United States;
- (f) any reference to a statute is a reference to the applicable statute and to any regulations made pursuant thereto and includes all amendments made thereto and in force from time to time and any statute or regulation that has the effect of supplementing or superseding such statute or regulation;
- (g) words importing individuals include bodies corporate and other artificial entities, and vice versa; words importing gender include the other gender; words importing one form of body corporate or artificial entity include all other forms of bodies corporate or artificial entities; and words importing the singular includes the plural, and vice versa; and
- (h) the rule of construction to the effect that any ambiguity is to be resolved against the drafting party shall not be applicable in the construction or interpretation of any of the terms and conditions of this Agreement.

## **2. Purchase and Sale**

2.1 Subject to the terms and conditions of this Agreement, at the Acquisition Closing, the

Vendors shall sell, assign, and transfer to the Purchaser, and the Purchaser shall purchase from the Vendors, all of the right, title, and interest in and to the Purchased Shares, free and clear of all Adverse Interests.

- 2.2 In consideration for the Purchased Shares at the Acquisition Closing, the Purchaser shall issue to the Vendors an aggregate of 1,530,000 Purchaser Shares, which is equal to CAD\$1,147,500, priced at a 20% discount to the market trading price of the Purchaser Shares as at the date prior to execution of this Agreement. (the "**Consideration Shares**"), duly registered in the name of the Vendors, or as may otherwise be directed by the Vendors, and in the amounts indicated in Schedule "A" hereto.
- 2.3 The Vendors acknowledge that the Consideration Shares are being issued by the Purchaser in reliance upon exemptions from the registration and prospectus requirements of Applicable Laws. The Vendors covenant to comply with Applicable Laws with respect to any sale or transfer of the Consideration Shares.
- 2.4 The Vendors acknowledge and agree that:

- (a) the Consideration Shares have not been and will not be registered under the U.S. Securities Act, or any State securities laws, and may not be offered, sold or exercised, directly or indirectly, in the United States or by or to or for the account or benefit of a U.S. Person without registration under the U.S. Securities Act and any applicable State securities laws, unless an exemption from registration is available; and
- (b) the Purchaser has no present intention and is not obligated under any circumstances to register the Consideration Shares, or to take any other actions to facilitate or permit any proposed resale or transfer thereof in the United States or otherwise by or to or for the account or benefit of a U.S. Person, and in particular, the Vendors and the Purchaser further acknowledge and agree that the Purchaser is hereby required to refuse to register any transfer of the Consideration Shares, not made in accordance with the provisions of Regulation S, pursuant to registration under the U.S. Securities Act, or pursuant to an available exemption from registration.

2.5 The Vendors acknowledge that the Consideration Shares are being issued by the Purchaser in reliance upon exemptions (the "**Exemptions**") from the registration and prospectus requirements of Applicable Laws and may be subject to restrictions on resale in the jurisdictions of residence of the Vendors. The Vendors covenant to comply with Applicable Laws with respect to any sale or transfer of the Consideration Shares. The Vendors covenant that they are acquiring the Consideration Shares as principal and not for the account of any other person.

2.6 The Vendors further agree and acknowledge that the Consideration Shares, shall be subject to regulatory and voluntary pooling restrictions on resale in the following aggregate amounts until the following dates:

- (a) 50% of the Consideration Shares, shall be subject to restrictions on resale until the date which is four months plus one day from the Acquisition Closing;
- (b) an additional 15% of the Consideration Shares, shall be subject to restrictions on resale until the date which is ninety (90) days from the Acquisition Closing Date;

- (c) an additional 15% of the Consideration Shares, shall be subject to restrictions on resale until the date which is one-hundred eighty (180) days from Acquisition Closing Date;
- (d) an additional 10% of the Consideration Shares, shall be subject to restrictions on resale until the date which is two-hundred forty (240) days from Acquisition Closing Date; and
- (e) the remaining 10% of the Consideration Shares, shall be subject to restriction on resale until the date which is twelve (12) months from Acquisition Closing Date.

Such resale restrictions shall be applied *pro rata* to the respective Consideration Shares to be received by each Vendor, in accordance with Schedule "A" hereto. During such time as any applicable Consideration Shares are subject to restrictions on resale, without the prior consent of the Purchaser, no Vendor may sell, deal in, assign, transfer, dispose of or encumber the applicable pooled Consideration Shares, in any manner whatsoever, or agree to do any of the foregoing, or enter into any transaction which would have the effect of vesting beneficial ownership of the applicable pooled Consideration Shares in another party. The Vendors further acknowledge that the certificates evidencing any pooled Consideration Shares issued under this Agreement will be legended to reflect the application of these resale restrictions.

## 2.7 Shareholders Agreement

As a condition of the Acquisition Closing, the Vendors, the Company and the Purchaser shall enter into a Shareholders Agreement in a form to be agreed upon which, inter alia shall address the rights and obligations of the Parties with respect to the Company and shall include provisions relating to the following:

- (a) rights and obligations to fund future cash or capital requirements of the Company;
- (b) drag-along, tag-along and rights of first refusal with respect to the sale or transfer of the Company Shares, or any other securities of the Company;
- (c) any future payments to the holders of the Company Shares, by way of dividend or otherwise;
- (d) the constitution of the Board of Directors of the Company;
- (e) the repayment of the Facility to the Purchaser;
- (f) matters relating to the establishment of budgets for the Company; and
- (g) matters relating to the day to day operations of the Company.

## 2.8 Working Capital

On the Acquisition Closing Date the Purchaser agrees to disburse to the Company a facility (the "**Facility**") in the amount of CDN\$300,000, to fund agreed working capital and capital expenditures of the Company. The Facility shall be funded by the Purchaser, as required in accordance with an agreed budget, as to \$100,000 within five business days of the Acquisition Closing Date and an additional \$100,000 on the day that is 60 days and 120 days thereafter. The Facility shall be non-interest bearing and shall be repayable in accordance with the Shareholders



Agreement.

**3. Additional Covenants**

3.1 Each of the Parties hereto shall, in good faith, use all commercially reasonable efforts to:

- (a) conduct their business and affairs in a manner such that its respective representations and warranties made by it herein remain true prior to Acquisition Closing, and to promptly notify the other parties should any representation and warranty made by it herein cease to be true;
- (b) perform and observe the covenants made by it herein; and
- (c) perform and observe matters required to satisfy any other conditions precedent to the completion of the transactions contemplated by this Agreement.

3.2 The Company will:

- (a) carry on its business only in the ordinary course, consistent with past practice;
- (b) make all commercially reasonable efforts to preserve the goodwill of the Company and its relationships with customers, suppliers, and others having business dealings with the Company;
- (c) refrain from entering into any contract or arrangement, other than in the ordinary course of the business or with the prior written consent of the Purchaser;
- (d) not amend or otherwise change its constating documents;
- (e) not take any action that would permit any Adverse Interest over any assets of the Company;
- (f) not authorize, issue, sell, or transfer any share capital or other equity interests of the Company or any securities convertible into or exercisable or exchangeable for share capital or other equity interests of the Company, or adjust, split, or reclassify any share capital or other equity interests of the Company;
- (g) not declare, set aside, make, or pay any dividend or other distribution (whether in cash, stock or other property) in respect of any share capital of the Company;
- (h) continue in full force all of its material insurance policies;
- (i) comply in all material respects with all Applicable Laws to the business; and
- (j) apply for, maintain in good standing, and make all commercially reasonable efforts to renew all Authorizations.

3.3 No disclosure or announcement, public or otherwise, in respect of this Agreement or the transactions contemplated herein will be made by any party or its representatives without the prior agreement of the Purchaser and Vendors, acting reasonably, as to timing, content and method; provided that the obligations of the Parties herein will not prevent a Party from making such disclosure as its counsel advises is required by Applicable Law,

or by any applicable regulator, stock exchange, or securities commission. The Vendors and the Company expressly acknowledge the obligation of the Purchaser to issue a press release on the execution of this Agreement and on the Acquisition Closing Date.

- 3.4 For purposes of this Agreement, “**Confidential Information**” means any information concerning a party (the “**Disclosing Party**”) or its business, properties and assets made available to the other parties or its representatives (the “**Receiving Party**”); provided that it does not including information which (a) is generally available to or known by the public other than as a result of improper disclosure by the Receiving Party; (b) is required to be disclosed by law, a governmental or regulatory body or court order; or (c) is obtained by the Receiving Party from a source other than the Disclosing Party, provided that such source was not bound by a duty of confidentiality to the Disclosing Party or another party with respect to such information.
- 3.5 Except as and only to the extent required by Applicable Law, a Receiving Party will not disclose or use, and it will cause its representatives not to disclose or use, any Confidential Information furnished, or to be furnished, by a Disclosing Party or its representatives to the Receiving Party or its representatives at any time or in any manner other than for purposes of evaluating the transactions proposed in this Agreement.
- 3.6 If this Agreement is terminated pursuant to the terms hereof, each Receiving Party will promptly return to the Disclosing Party or destroy any Confidential Information and any work product produced from such Confidential Information in the Receiving Party’s possession or in the possession of any of its representatives.
- 3.7 The Purchaser and its representatives shall be entitled to make such due diligence investigations of the Company and its business, assets, financial condition, and corporate records as the Purchaser considers advisable, which due diligence process shall be concluded on or before the execution of this Agreement. (the “**Due Diligence Expiry Time**”).
- 3.8 The Company and its representatives shall be entitled to make such due diligence investigations of the Purchaser and its business, assets, financial condition, and corporate records as the Company considers advisable, which due diligence process shall be concluded on or before the Due Diligence Expiry Time.
- 3.9 Until the earlier of (i) the Termination Date, or (ii) the Due Diligence Expiry Time, the Company will provide the Purchaser and its representatives with access during normal business hours to the Company’s personnel, premises, books and records, corporate records, accounts, contracts, and other properties and assets, or provide access to true copies of any document aforementioned through a data site.
- 3.10 Until the earlier of (i) the Termination Date, or (ii) the Due Diligence Expiry Time, the Purchaser will provide the Company and its representatives with access during normal business hours to the Purchaser’s personnel, premises, books and records, corporate records, accounts, contracts, and other properties and assets, or provide access to true copies of any document aforementioned through a data site.
- 3.11 The Purchaser shall comply with all rules, policies, and other requirements of the Canadian Securities Exchange with respect to the transactions contemplated by this Agreement, including without limitation with respect to the issuance of the Consideration

Shares and with respect to any filings the Purchaser shall be required to make with the Canadian Securities Exchange.

#### **4. Representations and Warranties**

4.1 The Vendors hereby represent and warrant to the Purchaser, on a joint and several basis, and acknowledge that the Purchaser is relying on such representations and warranties, that as of the date of this Agreement:

- (a) the Vendors are duly formed, validly existing, and in good standing under the laws of Singapore;
- (b) the Vendors have the legal power and capacity and have taken all necessary action and has obtained all necessary approvals to enter into and execute this Agreement and to carry out its obligations hereunder;
- (c) the Vendors have duly executed this Agreement and this Agreement constitutes a legal, valid, and binding obligation of such Vendors enforceable against such Vendors in accordance with the Agreement's terms;
- (d) neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated herein by the Vendors will constitute or result in a breach of or default under, or create a state of facts which after notice or lapse of time or both will constitute or result in a breach of or default under, or will otherwise conflict with (i) any indenture, agreement, or instrument to which the Vendors are a party or by which it's bound; or (ii) any Applicable Laws or orders, rulings, or other judgments or decisions of a court or regulatory authority having jurisdiction over the Vendors;
- (e) the Vendors are the registered holders and beneficial owners of all of the right, title, and interest in and to the Purchased Shares as indicated in Schedule "A" hereto, and have good and marketable title to such Purchased Share free and clear of all Adverse Interests;
- (f) the Purchased Shares are validly issued and outstanding as fully paid and non-assessable securities in the capital of the Company, and the Vendors do not hold any right, privilege, option, warrant, or agreement to purchase or otherwise acquire, directly or indirectly, any other shares in the capital of the Company;
- (g) no person has any right, privilege, option, warrant, or agreement, contingent or otherwise, or any of the foregoing capable of becoming any right, privilege, option, warrant, or agreement, to purchase or otherwise acquire, directly or indirectly, any Company Shares or any interest or entitlement therein (other than as provided by this Agreement);
- (h) the Vendors are non-resident of Canada for purposes of the ITA;
- (i) other than as set out in the Company Disclosure Letter, the Vendors are not a party to any unanimous shareholders agreement, escrow agreement, pooling agreement, voting trust, or similar arrangements or obligations in respect of the Company Shares or any other securities of the Company; and

- (j) the Vendors do not have any information or knowledge of any facts relating to the Company, other than as set out herein, or in the Company Disclosure Schedule, which if known to the Purchaser would or might reasonably be expected to deter the Purchaser from completing the transactions contemplated herein and hereby, and none of the foregoing representations and warranties and no documents furnished by or on behalf of the Vendors to the Purchaser in connection herewith or hereunder, contains any untrue statement of material fact or omits to state any material fact that the party knew or ought to have known is necessary to make any such representation or warranty not misleading to a prospective purchaser of the Purchased Share seeking full information as to the Company Shares, the Company, and its business and affairs.

4.2 Each of (i) the Company, and (ii) the Vendors on their own behalf (and on a joint and several basis), represent and warrant to the Purchaser and acknowledges that the Purchaser is relying on such representations and warranties, that as of the date of this Agreement:

- (a) the Company is duly formed, validly existing, and in good standing under the laws of Singapore, and no proceedings have been taken or authorized by the Company in respect of the bankruptcy, insolvency, liquidation, dissolution, or winding up of the Company;
- (b) the Company has the corporate power and capacity and has taken all necessary corporate action and has obtained all necessary approvals to own its property and assets, to conduct its business as presently conducted, and to enter into and execute this Agreement and carry out its obligations hereunder;
- (c) the Company has duly executed this Agreement and this Agreement constitutes a legal, valid, and binding obligation of the Company enforceable against the Company in accordance with the Agreement's terms except that (i) enforceability may be limited by bankruptcy, insolvency, or other laws 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) rights of indemnity and contribution hereunder may be limited under Applicable Law; and (iv) a court may stay proceedings before them by virtue of equitable or statutory powers;
- (d) provided the conditions to Acquisition Closing, as applicable and as set out in Sections 5.1 and 5.3 hereof, are satisfied, neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated herein will constitute or result in a breach of or default under, or create a state of facts which after notice or lapse of time or both will constitute or result in a breach of or default under, or will otherwise conflict with:
  - (i) any of the Company's constituting documents or any resolutions of its directors or shareholders;
  - (ii) any indenture, agreement, or instrument to which the Company is a party or by which it is bound (or otherwise cause a forfeiture of rights or accelerate any performance required thereby); or

- (iii) any Applicable Laws or orders, rulings, or other judgments or decisions of a court or regulatory authority having jurisdiction over the Company;
- (e) the Company's authorized capital consists of an unlimited number of Company Shares, of which 12,705 Company Shares are validly issued and outstanding, and of which 12,705 are held by the Vendors in the proportions set out in Schedule "A" hereto;
- (f) no person has any right, privilege, option, warrant, or agreement, contingent or otherwise, or any of the foregoing capable of becoming any right, privilege, option, warrant, or agreement, to purchase or otherwise acquire, directly or indirectly, any Company Shares or any other shares in the capital of the Company from the treasury of the Company;
- (g) the Company is not a party to any unanimous shareholders agreement, escrow agreement, pooling agreement, voting trust, or similar arrangements or obligations in respect of the Company Shares or any other securities of the Company;
- (h) the Company will not, prior to the Acquisition Closing, incur any expenses, debts, liabilities, or obligations outside of the ordinary course of business, whether absolute, accrued, contingent, or otherwise, without the prior written approval of the Purchaser;
- (i) the Company has no interest in the securities of any other entity;
- (j) the Company has not guaranteed and is not otherwise liable for the indemnification, assumption, endorsement, or like commitment with respect to the debts, liabilities, or obligations (contingent or otherwise) of any other person;
- (k) the operations of the Company have been conducted in all material respects in compliance with all Applicable Laws of each jurisdiction in which the Company owns or leases property or assets or carry on business, in accordance with industry standards and otherwise in a good and workmanlike manner, and the Company has not received any notice of and the Company knows of no state of facts which would constitute or result in any such violation of any such laws;
- (l) other than as set forth in the Company Disclosure Schedule, the inventories, if any, maintained by the Company have been accumulated for use or sale in the ordinary course of the business, and are in good and marketable condition, and the present levels of the inventories are consistent with the levels of inventories that have been maintained by the Company before the date of this Agreement in the ordinary course of the business in light of seasonal adjustments, market fluctuations and the requirements of customers of the business;
- (m) there are no actual, pending, contingent, or threatened Legal Proceedings against the Company;
- (n) the Company is not subject to any cease trade or other order of any applicable securities regulatory authority or stock exchange and no Legal Proceedings involving the Company which may operate to prevent or restrict trading of any securities of the Company or otherwise prevent or restrict the completion of the transactions contemplated herein are currently in progress, pending, contingent,

- or threatened before any applicable securities regulatory authority or stock exchange;
- (o) the Company is and has been conducting its business in compliance with Applicable Laws in the jurisdictions in which it operates, and the Company is not under investigation with respect to, has been charged or threatened to be charged with, or has received notice of, any violation or potential violation of any Applicable Laws;
  - (p) with respect to Authorizations: (i) all Authorizations which are necessary for the Company to conduct its business as presently conducted have been obtained and are in full force and effect in accordance with their terms; (ii) the Company has complied with all such Authorizations and are not in breach or default under any such Authorizations; (iii) the Company has not received written, or to the knowledge of the Company, other notice, of any alleged breach of or alleged default under any such Authorization or of any intention of any Governmental Authority to revoke or not renew any such Authorizations; and (iv) no proceedings are pending or, to the knowledge of the Company, threatened which could reasonably be expected to result in the revocation of such Authorizations;
  - (q) there is no agreement, judgment, injunction, order, or decree binding upon the Company that has or would reasonably be expected to have the effect of prohibiting, restricting, or materially impairing any business practice of the Company or the conduct of business by the Company as currently conducted;
  - (r) with respect to Material Contracts: (i) each Material Contract is legal, valid, and binding and in full force and effect and is enforceable by the Company in accordance with its terms subject only to any limitation under bankruptcy, insolvency, or other Applicable Laws affecting the enforcement of creditors' rights generally and the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction, and is set forth in the Company Disclosure Schedule; (ii) the Company has performed the obligations required to be performed by it under each Material Contract; (iii) the Company is not in breach or default under any Material Contract nor does the Company have knowledge of any condition that with the passage of time or the giving of notice or both would result in such a breach or default; (iv) as of the date of this Agreement, the Company has no knowledge of, and has not received any notice (whether written or oral) of, any breach, default, cancellation, termination, or non-renewal under any Material Contract by any party to a Material Contract; and (v) there is no requirement to obtain any consent, approval, or waiver of a party under any Material Contract in order to complete the transactions contemplated by this Agreement;
  - (s) with respect to Intellectual Property: (i) the Company owns or possesses, or has a licence to or otherwise has the right to use, all Intellectual Property which is material and necessary for the conduct of its business as presently conducted which is described in the Company Disclosure Schedule (collectively, the "**Company Intellectual Property**"); (ii) all such Company Intellectual Property that is owned by the Company is valid and enforceable, subject only to any limitation under bankruptcy, insolvency, or other Applicable Laws affecting the enforcement of creditors' rights generally and the discretion that a court may exercise in the

granting of equitable remedies, such as specific performance and injunction, and do not infringe in any material way upon the rights of others; (iii) to the knowledge of the Company, no third party is infringing upon the Company Intellectual Property or any Intellectual Property owned by the Company; (iv) the Intellectual Property that is owned by the Company is owned free and clear of any Adverse Interests, and no third party other than the Company has any right to use that Intellectual Property; (v) the conduct by the Company of its business does not infringe the Intellectual Property of any third party, and the Company has not received any notice of any unauthorized use, infringement or misappropriation of the Intellectual Property rights of any third parties; (vi) the Company is not aware of and has received no notice of pending or threatened claims regarding any unauthorized use, infringement or misappropriation by others of any Intellectual Property owned by or licensed to the Company; (vii) all current and former authors, inventors, contributors or creators of any Company Intellectual Property were, at the time they authored, invented or contributed to the creation and development of any Intellectual Property owned by or licensed to the Company, either fulltime employees of the Company and the Company is the legal and beneficial owner of all right, title, and interest in and to the Company Intellectual Property authored, invented, or contributed to by them, or they were contractors or employees of contractors who assigned, transferred, and sold all their right, title, and interest in and to the Company Intellectual Property to the Company pursuant to written agreements; and (viii) neither the Company nor, to the Company's knowledge, any employee, consultant or contractor of the Company is in violation in any respect of any term of any employment contract, general non-disclosure agreement, non-competition agreement, proprietary rights agreement, or any other covenant or any other common law obligation to a former employer or anyone else which relates to the right of any such employee, consultant or contractor to be employed or engaged by the Company or to the use of trade secrets or proprietary information of any third party;

- (t) the Company owns, possesses, and has good and marketable title to all of its undertakings, property, and assets (whether owned or leased), reflected in the most recent Financial Statements, free and clear of all Adverse Interests;
- (u) the financial records of the Company, as disclosed in the Financial Statements, are complete and accurate in all material respects and present fairly the financial condition, financial performance, and cash flows of the Company as at the date and for the periods indicated therein;
- (v) the undertakings, property, and assets of the Company comprise all of the undertakings, property, and assets necessary for the Company to carry on the business as it is currently operated;
- (w) all facilities, machinery, equipment, fixtures, and other tangible assets owned, leased, or used by the Company are in good operating condition and repair, ordinary wear and tear excepted, and are reasonably fit and usable for the purposes for which they are being used;
- (x) with respect to the Company Employees:

- (i) the Company is in material compliance with all terms and conditions of employment and all Applicable Laws respecting employment, including pay equity, wages, hours of work, overtime, vacation, human rights, work safety, and health;
  - (ii) all amounts due or accrued due for all salary, wages, bonuses, commissions, vacation with pay, sick days and benefits under any employee plans and other similar accruals have been either paid or are accurately reflected in all material respects in the books and records of the Company;
  - (iii) there are no material Company Employee related claims, complaints, investigations, or orders under all Applicable Laws, respecting employment now pending or, to the knowledge of the Company, threatened against the Company by or before any Governmental Authority as of the date of this Agreement;
  - (iv) other than as disclosed in the Company Disclosure Schedule, no Company Employee has any written employment agreement, offer letter, or engagement agreement;
  - (v) other than as disclosed in the Company Disclosure Schedule, there are no change of control payments, golden parachutes, severance payments, retention payments, or similar contracts or other agreements with current or former Company Employees; and
  - (vi) there are no material outstanding assessments, penalties, fines, liens, charges, surcharges, or other amounts due or owing pursuant to any workplace safety, workers' compensation or insurance legislation and the Company has not been reassessed in any material respect under such legislation during the past three years and, to the knowledge of the Company, no audit of the Company is currently being performed pursuant to any applicable workplace safety, workers' compensation, or insurance legislation. As of the date of this Agreement, to the Company's knowledge, there are no employment-related claims or potential claims.
- (y) with respect to Taxes:
- (i) all Tax Returns required by Applicable Laws to be filed with any Governmental Authority by, or on behalf of, the Company have been filed when due in accordance with Applicable Laws (taking into account any applicable extensions), and all such Tax Returns are complete and correct in all material respects;
  - (ii) the Company has paid, or has collected, withheld, and remitted to the appropriate Governmental Authority, all Taxes due and payable by it on a timely basis. The Company has provided adequate accruals in accordance with GAAP in the Financial Statements for any Taxes of the Company for the period covered by the Financial Statements that have not been paid whether or not shown as being due in any Tax Returns. Since the date of the most recent of the Financial Statements, no liability in respect of Taxes



not reflected in such Financial Statements or otherwise disclosed herein, has been assessed, proposed to be assessed, incurred or accrued, other than in the ordinary course of business;

- (iii) no deficiencies, litigation, proposed adjustments, or other matters in controversy exist or have been asserted with respect to Taxes of the Company and the Company is not party to any action or proceeding for assessment or collection of Taxes and no such event has been asserted or, to the knowledge of the Company, threatened against the Company, or any of its assets; and
- (iv) there are no currently effective elections, agreements, or waivers extending the statutory period or providing for any extension of time with respect to the assessment or reassessment of any Taxes, or of the filing of any material Tax Return or any payment of Taxes, by the Company.
- (z) the Company has no subsidiaries;
- (aa) the minute books of the Company have been maintained in material compliance with all applicable statutory requirements and are complete and accurate in all material respects;
- (bb) since the date of the most recent Financial Statements, other than as disclosed in the Company Disclosure Schedule, there has not been any change, event or occurrence that, either individually or in the aggregate, has resulted in, or would reasonably be expected to result in, a Material Adverse Effect on the Company;
- (cc) the Company does not own or lease any real property;
- (dd) the Company's current insurance policies are in good standing;
- (ee) the Company has not entered into any agreement or arrangement, written or oral, that would entitle any person to any claim against the Company for a brokerage or transaction fee, commission, or other compensation, or any like payment, in respect of this Agreement and the transactions contemplated herein; and
- (ff) other than as set out herein or in the Company Disclosure Schedule, the Company does not have any information or knowledge of any facts relating to the Company which if known to the Purchaser would or might reasonably be expected to deter the Purchaser from completing the transactions contemplated herein and hereby, and none of the foregoing representations and warranties and no documents furnished by or on behalf of the Company to the Purchaser in connection herewith or hereunder, contains any untrue statement of material fact or omits to state any material fact that the party knew or ought to have known is necessary to make any such representation or warranty not misleading to a prospective purchaser of the Purchased Share seeking full information as to the Company Shares, the Company, and its business and affairs.

4.3 The Purchaser represents and warrants to the Vendors and acknowledges that the Vendors are relying on such representations and warranties, that as of the date of this Agreement:

- (a) the Purchaser is duly formed, validly existing, and in good standing under the laws of the Province of British Columbia;
- (b) the Purchaser has the corporate power and capacity and has taken all necessary corporate action and has obtained all necessary approvals to own and lease its property and assets, to conduct its business as presently conducted, and to enter into and execute this Agreement and to carry out its obligations hereunder;
- (c) the Purchaser's authorized capital consists of an unlimited number of Purchaser Shares, of which no greater than 70,802,020 Purchaser Shares are currently outstanding as fully paid and non-assessable securities in the capital of the Purchaser;
- (d) the Purchaser has duly executed this Agreement and this Agreement constitutes a legal, valid, and binding obligation of it enforceable against it in accordance with the Agreement's terms except that (i) enforceability may be limited by bankruptcy, insolvency, or other laws 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) rights of indemnity and contribution hereunder may be limited under Applicable Law; and (iv) a court may stay proceedings before them by virtue of equitable or statutory powers;
- (e) provided the conditions to Acquisition Closing, as applicable and as set out in Sections 5.1 and 5.3 hereof, are satisfied, neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated herein will constitute or result in a breach of or default under, or create a state of facts which after notice or lapse of time or both will constitute or result in a breach of or default under, or will otherwise conflict with (i) the Purchaser's constituting documents or any resolutions of its directors, shareholders, or other stakeholders; (ii) any indenture, agreement, or instrument to which the Purchaser is a party or by which it is bound (or otherwise cause a forfeiture of rights or accelerate any performance required thereby); or (iii) to the knowledge of the Purchaser, any Applicable Laws or orders, rulings, or other judgments or decisions of a court or regulatory authority having jurisdiction over the Purchaser;
- (f) the operations of the Purchaser have been conducted in all material respects in compliance with all Applicable Laws of each jurisdiction in which the Purchaser owns or leases property or assets or carries on business, in accordance with industry standards and otherwise in a good and workmanlike manner, and the Purchaser has not received any notice of and the Purchaser knows of no state of facts which would constitute or result in any such violation of any such laws;
- (g) the financial records of the Purchaser, as disclosed under the Purchaser's SEDAR profile, are complete and accurate in all material respects and present fairly the financial condition, financial performance, and cash flows of the Purchaser as at the date and for the periods indicated therein;
- (h) there are no actual, pending, contingent, or threatened Legal Proceedings which, individually or in the aggregate, may result in or could reasonably be expected to have a Material Adverse Effect on the business, affairs, operations, property, assets, liabilities, financial condition, financial results, capital, or prospects (financial or otherwise) of the Purchaser;

- (i) the Purchaser is not subject to any cease trade or other order of any applicable securities regulatory authority or stock exchange and, to the knowledge of the Purchaser, no Legal Proceedings involving the Purchaser which may operate to prevent or restrict trading of any securities of the Purchaser or otherwise prevent or restrict the completion of the transactions contemplated herein are currently in progress, pending, contingent, or threatened before any applicable securities regulatory authority or stock exchange;
- (j) with respect to Authorizations: (i) all Authorizations which are necessary for the Purchaser to conduct its business as presently conducted have been obtained and are in full force and effect in accordance with their terms; (ii) the Purchaser has complied with all such Authorizations and is not in breach or default under any such Authorizations; (iii) the Purchaser has not received written, or to the knowledge of the Purchaser, other notice, of any alleged breach of or alleged default under any such Authorization or of any intention of any Governmental Authority to revoke or not renew any such Authorizations; and (iv) no proceedings are pending or, to the knowledge of the Purchaser, threatened which could reasonably be expected to result in the revocation of such Authorizations;
- (k) there is no agreement, judgment, injunction, order, or decree binding upon the Purchaser that has or would reasonably be expected to have the effect of prohibiting, restricting, or materially impairing any business practice of the Purchaser, or the conduct of business by the Purchaser as currently conducted;
- (l) with respect to Material Contracts: (i) each Material Contract is legal, valid, and binding and in full force and effect and is enforceable by the Purchaser in accordance with its terms subject only to any limitation under bankruptcy, insolvency, or other Applicable Laws affecting the enforcement of creditors' rights generally and the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction; (ii) the Purchaser has performed the obligations required to be performed by it under each Material Contract; (iii) the Purchaser is not in breach or default under any Material Contract nor does the Purchaser have knowledge of any condition that with the passage of time or the giving of notice or both would result in such a breach or default; and (iv) as of the date of this Agreement, the Purchaser has no knowledge of, or has not received any notice (whether written or oral) of, any breach, default, cancellation, termination, or non-renewal under any Material Contract by any party to a Material Contract;
- (m) with respect to Intellectual Property, (i) the Purchaser owns or possess, or has a licence to or otherwise has the right to use, all Intellectual Property which is material and necessary for the conduct of its business as presently conducted (collectively, the "**Purchaser Intellectual Property**"); (ii) to the knowledge of the Purchaser, all such Purchaser Intellectual Property that is owned by the Purchaser is valid and enforceable subject only to any limitation under bankruptcy, insolvency, or other Applicable Laws affecting the enforcement of creditors' rights generally and the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction and does not infringe in any material way upon the rights of others; and (iii) to the knowledge of the Purchaser, no third party is infringing upon the Purchaser Intellectual Property owned or licensed by the Purchaser;

- (n) with respect to the Purchaser Employees:
- (i) the Purchaser is in material compliance with all terms and conditions of employment and all Applicable Laws respecting employment, including pay equity, wages, hours of work, overtime, vacation, human rights, work safety, and health;
  - (ii) all amounts due or accrued due for all salary, wages, bonuses, commissions, vacation with pay, sick days, and benefits under any employee plans and other similar accruals have been either paid or are accurately reflected in all material respects in the books and records of the Purchaser;
  - (iii) there are no material Purchaser Employee related claims, complaints, investigations, or orders under all Applicable Laws that could reasonably be expected to have a Material Adverse Effect on the Purchaser, on a consolidated basis, respecting employment now pending or, to the knowledge of the Purchaser, threatened against the Purchaser by or before any Governmental Authority as of the date of this Agreement; and
  - (iv) there are no material outstanding assessments, penalties, fines, liens, charges, surcharges, or other amounts due or owing pursuant to any workplace safety, workers' compensation, or insurance legislation and the Purchaser has been reassessed in any material respect under such legislation during the past three years and, to the knowledge of the Purchaser, no audit of the Purchaser is currently being performed pursuant to any applicable workplace safety, workers' compensation, or insurance legislation. As of the date of this Agreement, to the knowledge of the Purchaser, there are no claims or potential claims which may materially adversely affect the Purchaser.
- (o) with respect to Taxes:
- (i) all material Tax Returns required by Applicable Laws to be filed with any Governmental Authority by, or on behalf of, the Purchaser have been filed when due in accordance with Applicable Laws (taking into account any applicable extensions), and all such material Tax Returns are complete and correct in all material respects;
  - (ii) the Purchaser has paid, or has collected, withheld, and remitted to the appropriate Governmental Authority, all material Taxes due and payable by it on a timely basis. The Purchaser has provided adequate accruals in accordance with GAAP in the most recently consolidated financial statements of the Purchaser for any Taxes of the Purchaser for the period covered by such financial statements that have not been paid whether or not shown as being due in any Tax Returns. Since the date of the most recent consolidated financial statements of the Purchaser, no material liability in respect of Taxes not reflected in such financial statements or otherwise disclosed herein, has been assessed, proposed to be assessed, incurred or accrued, other than in the ordinary course of business;

- (iii) no material deficiencies, litigation, proposed adjustments, or other matters in controversy exist or have been asserted with respect to Taxes of the Purchaser and the Purchaser is not party to any action or proceeding for assessment or collection of Taxes and no such event has been asserted or, to the knowledge of the Purchaser, threatened against the Purchaser or its assets; and
    - (iv) there are no currently effective material elections, agreements, or waivers extending the statutory period or providing for any extension of time with respect to the assessment or reassessment of any material Taxes, or of the filing of any material Tax Return or any payment of material Taxes, by the Purchaser;
  - (p) the Consideration Shares are being issued by the Purchaser in reliance upon exemptions from the registration and prospectus requirements of Applicable Laws, and upon due issuance to the Vendors at the Acquisition Closing, the Consideration Shares in accordance with their terms, will be subject to a statutory hold period of four months plus one day, subject further to the pooling restrictions set forth in Section 2.6; and
  - (q) the Purchaser does not have any information or knowledge of any facts relating to the Purchaser which if known to the Vendors and/or the Company would or might reasonably be expected to deter the Vendors and/or the Company from completing the transactions contemplated herein and hereby, and none of the foregoing representations and warranties and no documents furnished by or on behalf of the Purchaser to the Vendors and/or the Company in connection herewith or hereunder, contains any untrue statement of material fact or omits to state any material fact that the party knew or ought to have known is necessary to make any such representation or warranty not misleading to a prospective party seeking full information as to the Purchaser, its business and affairs or the Consideration Shares.
- 4.4 The representations and warranties set out herein shall survive the date of this Agreement and, notwithstanding any investigation made by or on behalf of a party hereto and the occurrence of the Acquisition Closing, shall continue in full force and effect for a period of two years following the Acquisition Closing Date.

## **5. Conditions of Closing**

- 5.1 The Vendors shall not be obligated to complete the sale of the Purchased Shares pursuant to this Agreement and the other transactions contemplated herein, unless, at the Acquisition Closing, each of the conditions listed below is satisfied, it being understood that the said conditions are included for the exclusive benefit of the Vendors:
- (a) the representations and warranties of the Purchaser in Section 4.3 of this Agreement that are qualified by materiality or Material Adverse Effect will be true and accurate at the Acquisition Closing Date as if made as of the Acquisition Closing Date, and each of the other representations and warranties of the Purchaser in Section 4.3 of this Agreement will be true and accurate in all material respects at the Acquisition Closing Date as if made as of the Acquisition Closing Date (except, in each case, for any representations and warranties made as at a

specified date, the accuracy of which will be determined as of that specified date instead of the Acquisition Closing Date);

- (b) the covenants and conditions of the Purchaser to be performed and observed in this Agreement prior to or at the Acquisition Closing shall have been performed and observed in all material respects;
- (c) the Parties shall have entered into the Shareholders Agreement in accordance with Section 2.7 of this Agreement;
- (d) the receipt of any approvals or consents contemplated by this Agreement or otherwise necessary for this Agreement and the completion of the transactions contemplated herein, and all such approvals being in full force and effect;
- (e) there shall have been no event or change that has had or would be reasonably likely to have a Material Adverse Effect on the Purchaser; and
- (f) there shall have been no order made or any Legal Proceedings commenced or threatened for the purpose, or which could have the effect, of preventing or restraining the completion of the transactions contemplated by this Agreement.

5.2 If any condition in Section 5.1 hereof has not been fulfilled (subject to the cure period set out in Subsection 7.1(c) hereof) or if any such condition is or becomes impossible to satisfy, other than as a result of the failure of the Vendors or the Company to comply with their respective obligations under this Agreement, then the Vendors (on behalf of the Company) may, without limiting any rights or remedies available to the Vendors at law or in equity, either:

- (a) terminate this Agreement by notice to the Purchaser; or
- (b) waive compliance with any such condition without prejudice to its right of termination in the event of the non-fulfillment of any other condition for its benefit.

5.3 The Purchaser shall not be obligated to complete the purchase of the Purchased Shares pursuant to this Agreement and the other transactions contemplated herein, unless, at the Acquisition Closing, each of the conditions listed below is satisfied, it being understood that the said conditions are included for the exclusive benefit of the Purchaser:

- (a) the representations and warranties of the Vendors as set out in Section 4.1 of this Agreement that are qualified by materiality or Material Adverse Effect will be true and accurate at the Acquisition Closing Date as if made as of the Acquisition Closing Date, and each of the other representations and warranties of the Vendors in Section 4.1 of this Agreement will be true and accurate in all material respects at the Acquisition Closing Date as if made as of the Acquisition Closing Date (except, in each case, for any representations and warranties made as at a specified date, the accuracy of which will be determined as of that specified date instead of the Acquisition Closing Date);
- (b) the representations and warranties of the Company and Vendors as set out in Section 4.2 of this Agreement that are qualified by materiality or Material Adverse Effect will be true and accurate at the Acquisition Closing Date as if made as of the Acquisition Closing Date, and each of the other representations and warranties of

the Company in Section 4.2 of this Agreement will be true and accurate in all material respects at the Acquisition Closing Date as if made as of the Acquisition Closing Date (except, in each case, for any representations and warranties made as at a specified date, the accuracy of which will be determined as of that specified date instead of the Acquisition Closing Date);

- (c) the covenants and conditions of the Vendors and the Company to be performed and observed in this Agreement prior to or at Acquisition Closing shall have been performed and observed in all material respects;
- (d) the Parties shall have entered into the Shareholders Agreement in accordance with Section 2.7 of this Agreement;
- (e) the Company shall not have a negative working capital position as at the Acquisition Closing Date;
- (f) the receipt of any approvals or consents contemplated by this Agreement or otherwise necessary for this Agreement and the completion of the transactions contemplated herein, in form and content and upon such conditions, if any, acceptable to the Purchaser, and all such approvals being in full force and effect;
- (g) there shall have been no event or change that has had or would be reasonably likely to have a Material Adverse Effect on the Company;
- (h) the board of directors of the Company shall have approved the transfer of the Purchased Shares contemplated in this Agreement, in accordance with the constating documents of the Company; and
- (i) there shall have been no order made or any Legal Proceedings commenced or threatened for the purpose, or which could have the effect, of preventing or restraining the completion of the transactions contemplated by this Agreement, shall not be an impediment to the Acquisition Closing for the purposes of this section.

5.4 If any condition in Section 5.3 hereof has not been fulfilled (subject to the cure period set out in Subsection 7.1(d) hereof) or if any such condition is or becomes impossible to satisfy, other than as a result of the failure of the Purchaser to comply with its obligations under this Agreement, then the Purchaser may, without limiting any rights or remedies available to the Purchaser at law or in equity, either:

- (a) terminate this Agreement by notice to the Vendors and Company; or
- (b) waive compliance with any such condition without prejudice to its right of termination in the event of the non-fulfillment of any other condition for its benefit.

## **6. Acquisition Closing**

6.1 The Acquisition Closing shall take place at the offices of counsel to the Purchaser, at such time and date as the Purchaser and the Vendors may elect in writing.

6.2 At the Acquisition Closing, the Vendors shall deliver or cause to be delivered to the Purchaser the following documents:

- (a) a certificate executed by the Vendors certifying: (i) the representations and warranties of the Vendors as set out in Section 4.1 and Section 4.2 of this Agreement are true and correct in all material respects at the Acquisition Closing Date; (ii) the covenants and conditions of the Vendors to be performed and observed in this Agreement prior to or at Acquisition Closing shall have been performed and observed in all material respects; and (iii) any further matters reasonably required by the Purchaser;
- (b) a certificate of the Chief Executive Officer of the Company, certifying: (i) the representations and warranties of the Company as set out in Section 4.2 of this Agreement are true and correct in all material respects at the Acquisition Closing Date; (ii) the covenants and conditions of the Company to be performed and observed in this Agreement prior to or at Acquisition Closing shall have been performed and observed in all material respects; (iii) a copy of the resolutions of the board of directors of the Company authorizing this Agreement and the transactions contemplated herein and hereby, and that such resolutions remain in full force and effect, unamended since the Effective Date; (iv) that the Company has positive working capital as at the Acquisition Closing Date; and (v) any further matters reasonably required by the Purchaser;
- (c) resignation and releases of certain officers and directors of the Company, and appointment of certain representatives of the Purchaser, as set in the Shareholders Agreement;
- (d) a copy of the Company's central securities register, demonstrating the due transfer of the Purchased Shares owned by the Vendors to the Purchaser or such other evidence of transfer as may be acceptable to the Purchaser; and
- (e) such other documents and instruments in connection with the Acquisition Closing as may be reasonably requested by the Purchaser.

6.3 At Acquisition Closing, the Purchaser shall deliver or cause to be delivered to the Vendors the following documents:

- (a) a certificate of a senior officer or director of the Purchaser certifying: (i) the representations and warranties of the Purchaser as set out in Section 4.3 of this Agreement are true and correct in all material respects at the Acquisition Closing Date; (ii) the covenants and conditions of the Purchaser to be performed and observed in this Agreement prior to or at Acquisition Closing shall have been performed and observed in all material respects; (iii) the resolutions of the directors of the Purchaser authorizing this Agreement and the transactions contemplated herein and hereby, and that such resolutions remain in full force and effect, unamended since the Effective Date; (iv) a list of the Purchaser's officers and directors authorized to sign the Agreement and any documents or instruments delivered thereby, together with their specimen signature(s); and (v) any further matters reasonably required by the Vendors or the Company;
- (b) a DRS evidencing the Consideration Shares, duly registered in accordance with Schedule "A" hereto or as the Vendors may otherwise direct in writing; and
- (c) such other documents and instruments in connection with the Acquisition Closing as may be reasonably requested by the Vendors or the Company.



## **7. Termination**

7.1 This Agreement may be terminated by the mutual written consent of the Purchaser and the Vendors, or in the following circumstances by written notice given by the terminating party to the Purchaser, on the one hand, or to the Vendors and the Company, on the other hand, as applicable:

- (a) by the Purchaser or the Vendors on or before the Due Diligence Expiry Time, if the results of their respective due diligence investigations are unsatisfactory;
- (b) by the Vendors or the Purchaser, if the Acquisition Closing has not occurred on or before April 15, 2021 at 5:00 p.m. (Vancouver time), or such later date as may be mutually agreed by the Purchaser and the Vendor;
- (c) by the Vendors, if the Purchaser is in default of any covenant on its part to be performed hereunder, the Company has given written notice to the Purchaser of such default, the Purchaser has not proceeded to cure such default within 10 days of such notice and thereafter proceeded in good faith to diligently cure such default to the Vendors' reasonable satisfaction provided that in any case such default shall be cured within 20 days after such notice (or such longer period as may be reasonably required to cure the default given the nature or circumstances thereof); and
- (d) by the Purchaser, if either of the Vendors or the Company is in default of any covenant on its part to be performed hereunder, the Purchaser has given written notice to the Vendors and the Company of such default, and the Vendors and/or the Company has not proceeded to cure such default within 10 days of such notice and thereafter proceeded in good faith to diligently cure such default to the Purchaser's reasonable satisfaction provided that in any case such default shall be cured within 20 days after such notice (or such longer period as may be reasonably required to cure the default given the nature or circumstances thereof).

7.2 Upon termination of this Agreement, each party hereto shall be released from all obligations under this Agreement, except as expressly provided for herein. Each party's right of termination is in addition to and not in derogation or limitation of any other rights, claims, causes of action, or other remedy that such party may have under this Agreement or otherwise at law or in equity with respect to such termination and any misrepresentation, breach of covenant, or indemnity contained herein.

## **8. Reporting and Consent**

8.1 The Vendors expressly consent and agree to:

- (a) the Purchaser collecting personal information regarding such Vendors for the purpose of completing the transactions contemplated by this Agreement; and
- (b) the Purchaser releasing personal information regarding such Vendors and this Agreement, including such Vendors' name, residential address, telephone number, email address, registration and delivery instructions, and the number of Consideration Shares received, to securities regulatory authorities in compliance with Applicable Laws, to other authorities as required by law and to the registrar and transfer agent of the Purchaser for the purpose of arranging for the preparation

of the certificates representing the Consideration Shares in connection with the transaction contemplated in this Agreement.

The purpose of the collection of the information is to ensure the Purchaser and its advisors will be able to issue the Consideration Shares to the Vendors in accordance with the instructions of the applicable Vendors and in compliance with applicable corporate, securities, and other laws, and to obtain the information required to be provided in documents required to be filed with securities regulatory authorities under Applicable Laws and with other authorities as required, which may include their public disclosure of such information. The Vendors further expressly consents and agrees to the collection, use, and disclosure of all such personal information by securities regulatory authorities and other authorities in accordance with their requirements, including but not limited to the publishing or making available to the public of such information and the provision of such information to third party service providers for their collection, use, and disclosure from time to time.

The contact information for the officer of the Purchaser who can answer questions about the collection of information by the Purchaser is as follows:

Name and Title: [Redacted]  
Purchaser Name: [Redacted]  
Address: [Redacted]  
Email Address: [Redacted]

**9. Notices**

9.1 Any notice, communication, instrument, or document required or permitted to be given under this Agreement shall be in writing and may be given by personal delivery, pre-paid, certified, or registered mail, or by telecommunication, email or other similar form of communication (in each case with electronic confirmed receipt), addressed as follows:

(a) If to the Company or the Vendors at:

[Redacted]  
[Redacted]  
[Redacted]  
Attention: [Redacted]  
Email: [Redacted]

with a copy to:

[Redacted]  
[Redacted]  
[Redacted]  
[Redacted]  
Attention: [Redacted]  
Email: [Redacted]

(b) If to the Purchaser at:

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

Attention: [REDACTED]  
Email: [REDACTED]

with a copy to:

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

Attention: [REDACTED]  
Email: [REDACTED]

and such shall be deemed to have been given (i) if effected by personal delivery, or telecommunication, email, or other similar form of communication (with electronic confirmed receipt), at the time of delivery or electronic confirmed receipt unless such occurs after the recipient's customary business hours in which case it shall be deemed to have been given on the next business day; and (ii) if effected by mail, on the fourth business day after mailing excluding all days on which postal service is disrupted.

9.2 A party may at any time in the above manner give notice to the other parties of any change of address and after the giving of such notice the address or addresses specified will be the address of such party for the purpose of giving notice hereunder.

**10. Expenses**

10.1 Each of the parties hereto shall bear all expenses incurred by such party in connection with the preparation and fulfillment of this Agreement, including but not limited to the fees and expenses of their accountants, financial and investment advisors, brokers, and finders.

**11. Indemnification**

11.1 Subject to the other provisions of this Section 11, the Vendors will, if the Acquisition Closing occurs:

- (a) indemnify and hold harmless each Purchaser Indemnified Party from and against any Loss that a Purchaser Indemnified Party may suffer as a result of:
  - (i) any breach of any representation or warranty made by the Company in this Agreement; and
  - (ii) any non-performance of any covenant or obligation of the Company contained in this Agreement; and
- (b) indemnify and hold harmless each Purchaser Indemnified Party from and against any Loss that a Purchaser Indemnified Party may suffer as a result of:

- (i) any breach of any representation or warranty made by the Vendors in this Agreement; and
  - (ii) any non-performance of any covenant or agreement of the Vendors contained in this Agreement.
- 11.2 Subject to the other provisions of this Section 11, the Purchaser will, if the Acquisition Closing occurs, indemnify and hold harmless each of the Vendors Indemnified Party from and against any Loss that each Vendors Indemnified Party may suffer as a result of:
  - (a) any breach of any representation or warranty made by the Purchaser in this Agreement;
  - (b) any non-performance of any covenant or agreement of the Purchaser contained in this Agreement.
- 11.3 The covenants, representations, and warranties made by the Company and the Vendors in this Agreement will survive the Acquisition Closing and completion of the transactions contemplated by this Agreement, and will continue in full force and effect.
  - (a) Subject to Section 11.3(b), a Purchaser Indemnified Party may make an Indemnity Claim under Section 11.1(a)(i) or 11.1(b)(i) only if an Indemnity Notice of that Indemnity Claim is delivered to the relevant Indemnifying Party within 24 months after the Acquisition Closing Date.
  - (b) The notice period set out in Section 11.3(a) will not apply to an Indemnity Claim based on intentional misrepresentation or fraud by the Company or the Vendors, or any of them, relating to this Agreement.
- 11.4 The covenants, representations, and warranties made by the Purchaser in this Agreement will survive the Acquisition Closing and completion of the transactions contemplated by this Agreement, and will continue in full force and effect.
  - (a) Subject to Section 11.4(b), a Vendors Indemnified Party may make an Indemnity Claim under Section 11.2(a) only if an Indemnity Notice of that Indemnity Claim is delivered to the Purchaser as Indemnifying Party within 24 months after the Acquisition Closing Date.
  - (b) The notice period set out in Section 11.4(a) will not apply to an Indemnity Claim based on intentional misrepresentation or fraud by the Purchaser relating to this Agreement.
- 11.5 Subject to Section 11.6:
  - (a) the indemnification obligations of the Vendors under this Section 11 are limited in the aggregate to the amount equal to \$2,000,000; and
  - (b) the Vendors will not be required to indemnify any Purchaser Indemnified Party under this Section 11 unless the aggregate of all Losses under the Indemnity Claims made by the Purchaser Indemnified Parties exceeds \$10,000 in which case the Vendors as Indemnifying Party will be obligated to pay the full amount owing

by the Vendors under this Section 11 in respect of all Indemnity Claims (both below and above that threshold).

- 11.6 If any Indemnity Claims are made by a Purchaser Indemnified Party against either of the Vendors based on intentional misrepresentation or fraud, then:
- (a) despite Section 11.5(a), the indemnification obligations of the Vendors with respect to those Indemnity Claims will be unlimited; and
  - (b) the limitations in Section 11.5(b) will not apply to those Indemnity Claims.
- 11.7 Subject to Section 11.8,
- (a) the indemnification obligations of the Purchaser under this Section 11 are limited in the aggregate to \$2,000,000; and
  - (b) the Purchaser will not be required to indemnify the Vendors Indemnified Party under this Section 11 unless the aggregate of all Losses under the Indemnity Claims made by the Vendors Indemnified Parties exceeds \$10,000 in which case the Purchaser as an Indemnifying Party will be obligated to pay the full amount owing by it under this Section 11 in respect of all Indemnity Claims (both below and above that threshold).
- 11.8 If any Indemnity Claims are made by a Vendors Indemnified Party against the Purchaser based on intentional misrepresentation or fraud, then:
- (a) despite Section 11.7(a), the indemnification obligations of the Purchaser with respect to those Indemnity Claims will be unlimited; and
  - (b) the limitations in Section 11.7(b) will not apply to such Indemnity Claims.
- 11.9 The following will apply to the indemnification obligations under this Section 11.
- (a) The waiver of any condition relating to any representation, warranty, or covenant will not affect the right to indemnification under this Section 11 based on that representation, warranty, or covenant.
  - (b) No Indemnified Party is entitled to double recovery for any Indemnity Claim even though the Indemnity Claim may have resulted from the breach or inaccuracy of more than one of the representations, warranties, covenants, and obligations of the Indemnifying Party under this Agreement.
- 11.10 If an Indemnified Party becomes aware of a Loss or potential Loss in respect of which an Indemnifying Party has agreed to indemnify it under this Section 11, the Indemnified Party will promptly give written notice (an “**Indemnity Notice**”) of its claim or potential claim for indemnification (an “**Indemnity Claim**”) to the Indemnifying Party. An Indemnity Notice must specify whether the Indemnity Claim arises as the result of a Third Party Claim or as a result of a Loss that was suffered directly by an Indemnified Party, and must also specify with reasonable particularity (to the extent that the information is available): (i) the factual basis for the Indemnity Claim; and (ii) the amount of the Indemnity Claim, if known. If, through the fault of the Indemnified Party, the Indemnifying Party does not receive an Indemnity Notice of an Indemnity Claim in time to effectively contest the determination of

any liability capable of being contested, the Indemnifying Party will be entitled to set off against the amount claimed by the Indemnified Party the amount of any Loss incurred by the Indemnifying Party resulting from the Indemnified Party's failure to give an Indemnity Notice on a timely basis.

- 11.11 The Indemnifying Party shall make all the payments in respect of claims made pursuant to this Section 11 to the Indemnified Party within 30 days of the receipt of notice of each claim.
- 11.12 Subject to Section 11.13, if the Acquisition Closing occurs the rights of indemnity in this Section 11 will be the sole and exclusive remedy of any Indemnified Party or any third party beneficiary for any breach of a representation or warranty, or non-performance of any covenant or agreement, contained in this Agreement, and each Indemnified Party or such Person waives any other recourse or remedy it may have in contract, tort, or otherwise.
- 11.13 Nothing in this Section 11.13 will limit or restrict an Indemnified Party from seeking:
- (a) specific performance and injunctive relief to enforce the performance of this Agreement upon application to a court of competent jurisdiction without proof of actual damage (and without requirement of posting a bond or other security); or
  - (b) any remedies that may be available to an Indemnified Party in the case of fraud or intentional misrepresentation.
- 11.14 To ensure that the indemnities provided by the Vendors and the Purchaser to any Indemnified Parties that are not parties to this Agreement are enforceable, it is agreed by the Parties that the Vendors are acting as agent for its Vendor Indemnified Parties (that are not Parties), and the Purchaser is acting as agent for its Purchaser Indemnified Parties (that are not Parties), with respect to the indemnities intended to be given to those Persons under this Section 11. The Vendors and the Purchaser agree that each will hold any right to indemnification that any relevant Indemnified Party is intended to have under this Section 11 in trust for that person, and that funds received by the Vendors or the Purchaser in respect of any claims under this Section 11 by the relevant Indemnified Party will be held in trust for that Person.

## **12. General**

- 12.1 This Agreement constitutes the entire agreement among the parties and replaces and supersedes all prior agreements, memoranda, correspondence, communications, negotiations, and representations, whether oral or written, express or implied, statutory or otherwise among the parties with respect to the subject matter herein. There are no implied covenants contained in this Agreement other than those of good faith and fair dealing.
- 12.2 The parties shall from time to time prior to or after Acquisition Closing execute and deliver any and all such instruments and other documents and perform any and all such acts and other things as may be necessary or desirable to carry out the intent of this Agreement.
- 12.3 Any amendments hereto or waivers in respect hereof shall only be effective if made in writing and executed by the parties thereto. No waiver shall constitute a waiver of any other provision or act as a continuing waiver unless such is expressly provided for.

- 12.4 Time is of the essence of this Agreement. Any failure to exercise any rights provided for hereunder shall not, in the absence of a waiver in accordance with the terms hereof, affect the subsequent enforcement of such right.
- 12.5 The invalidity or unenforceability of any provision hereof shall not affect or impair the validity or enforceability of the remainder of the Agreement or any other provision hereof. In the event that any provision hereof is invalid or unenforceable in a given jurisdiction, that shall not affect the validity or enforceability of the provision in any other jurisdiction. The courts shall have the power to modify this Agreement, in a manner consistent with the intent of the parties, in order to limit the application of any such offensive provision to the maximum extent permitted by law.
- 12.6 This Agreement and any rights herein or hereto shall not be assigned or otherwise transferred by any party hereto without the express written consent of the other parties hereto. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.
- 12.7 This Agreement shall be exclusively governed by and construed in accordance with the laws of British Columbia and the federal laws of Canada applicable therein. In the event of any dispute or issue arising out of, or in the interpretation of any of the provisions of this Agreement, including the validity and existence thereof, the Parties agree to submit the resolution of such issue or dispute to arbitration, either in British Columbia or Singapore, in accordance with the rules of arbitration of either the Vancouver International Arbitration Centre (VANIAC) or the Singapore International Arbitration Center (SIAC), to be determined at the sole option of the party initiating such issue or dispute. The arbitration shall be conducted before a single arbitrator appointed by the chairman of the VANIAC or the SIAC, in accordance with the venue of the arbitration, and the arbitration proceedings shall be conducted in English.
- 12.8 The Company and the Vendors acknowledge and agree that this Agreement has been prepared by Cassels Brock & Blackwell LLP, as legal counsel to the Purchaser and that at no time has Cassels Brock & Blackwell LLP provided legal advice to the Company or the Vendors, and the Company and the Vendors hereby acknowledge and declare that each has sought the requisite independent legal advice in connection with the entering into of this Agreement.
- 12.9 This Agreement may be executed and delivered in two or more counterparts and by electronic delivery. Each such counterpart and electronically delivered copy shall be deemed to form one and the same and an originally executed instrument, bearing the date set forth on the face page hereof notwithstanding the date of execution or delivery.

***[Signature Page Follows]***

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first above written.

**PAYRIGHT PTE LTD.**

*/s/ "James Kodrowski"*

\_\_\_\_\_  
Name: James Kodrowski

Title: Director

**CANNAONE TECHNOLOGIES INC.**

*/s/ "Michael Penner"*

\_\_\_\_\_  
Name: Michael Penner

Title: Chief Executive Officer

*[signatures of Vendors follow on the next page]*



/s/ "Christopher Aldaba"

**CHRISTOPHER ALDABA**

/s/ "Daniel Eigenmann"

**DANIEL EIGENMANN**

/s/ "Heramben Vencatapillay"

**HERAMBEN VENCATAPILLAY**

**RIGHT CHOICE CAPITAL PTD. LTD.**

**HAMPTON ENTERPRISES, INC.**

Per: /s/ "James Kodrowski"  
*Authorized Signatory*

Per: /s/ "Hampton Enterprises, Inc."  
*Authorized Signatory*

**DOMICILE 6330 GMBH**

**NATURAL RESOURCES  
INVESTMENTS LIMITED**

Per: /s/ "Domicile 6330 GMBH"  
*Authorized Signatory*

Per: /s/ "Natural Resources Investments Limited"  
*Authorized Signatory*

**SCHEDULE "A"**  
**List of Vendors and Shareholdings**

Name	Registration	Company Shares Held	Consideration Shares to be Received
Right Choice Capital Ptd. Ltd.	[REDACTED]	[REDACTED]	[REDACTED]
Christopher Aldaba	[REDACTED]	[REDACTED]	[REDACTED]
Hampton Enterprises, Inc.	[REDACTED]	[REDACTED]	[REDACTED]
Domicile 6330 GmbH	[REDACTED]	[REDACTED]	[REDACTED]
Natural Resources Investments Limited	[REDACTED]	[REDACTED]	[REDACTED]
Daniel Eigenmann	[REDACTED]	[REDACTED]	[REDACTED]
Heramben Vencatapillay	[REDACTED]	[REDACTED]	[REDACTED]
<b>TOTAL</b>		[REDACTED]	[REDACTED]