

AMALGAMATION AGREEMENT

AMONG:

1169082 B.C. LTD.

AND:

2835517 ONTARIO LTD.

AND:

AWAKN LIFE SCIENCES INC.

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EXHIBIT “A” – FORM OF ARTICLES OF AMALGAMATION

AMALGAMATION AGREEMENT

THIS AMALGAMATION AGREEMENT is dated as of the 13th day of May, 2021.

AMONG:

1169082 B.C. LTD., a corporation incorporated under the laws of the Province of British Columbia

("Shellco");

AND:

2835517 ONTARIO LTD. a corporation incorporated under the laws of the Province of Ontario

("SubCo");

AND:

AWAKN LIFE SCIENCES INC., a corporation incorporated under the laws of the Province of Ontario

("Target");

WHEREAS:

(A) It is intended that Target and SubCo, a wholly-owned subsidiary of Shellco, will amalgamate and form one corporation under the provisions of the OBCA (the "**Amalgamation**");

(B) Shellco is a reporting issuer in the Provinces of British Columbia and Alberta and upon completion the of Amalgamation it is intended that the common shares of Shellco will be listed on the Exchange;

(C) Upon the Amalgamation taking effect, securityholders of Target will receive securities of Shellco in the proportion and to the extent set out herein;

NOW THEREFORE, in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties hereto do hereby covenant and agree as follows:

PART 1 **INTERPRETATION**

Definitions

1.1 In this Agreement, the following defined terms have the meanings hereinafter set forth:

- (a) “**Acquisition Proposal**” has the meaning ascribed thereto in Section 10.6;
- (b) “**Action**” means, with respect to any Person, any litigation, legal action, lawsuit, claim, audit, arbitration or other proceeding (whether civil, administrative, quasi-criminal or criminal) before any Governmental Authority against such Person or its business or affecting any of its assets;
- (c) “**Agreement**” means this Amalgamation Agreement (including the exhibits hereto) as supplemented, modified or amended, and not to any particular article, section, schedule, exhibit or other portion hereof;
- (d) “**Amalco**” means the amalgamated corporation continuing from the Amalgamation;
- (e) “**Amalco Shares**” means the common shares in the capital of Amalco;
- (f) “**Amalgamation**” means the amalgamation of SubCo and Target under the provisions of the OBCA on the terms and conditions set forth in this Agreement;
- (g) “**Applicable Canadian Securities Laws**” means, collectively, and as the context may require, the applicable securities legislation of each of the provinces and territories of Canada, and the rules, regulations, instruments, orders and policies published and/or promulgated thereunder, as such may be amended from time to time prior to the Effective Date;
- (h) “**Applicable Laws**” means, in the context that refers to one or more Persons, any domestic or foreign, federal, state, provincial or local law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a Governmental Authority, and any terms and conditions of any grant of approval, permission, authority or licence of any Governmental Authority, that is binding upon or applicable to such Person or Persons or its or their business, undertaking, property or securities and emanate from a Person having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities;
- (i) “**Articles of Amalgamation**” means the articles of amalgamation substantially in the form set out in Exhibit “A” hereto, which shall be the articles of Amalco;
- (j) “**BCBCA**” means the *Business Corporations Act* (British Columbia), as amended, including the regulations promulgated thereunder;
- (k) “**Business**” means the business and activities carried on by Target, the Target Subsidiaries or any of them, as applicable;
- (l) “**Business Day**” means a day other than a Saturday, Sunday or other day when banks in the City of Vancouver, British Columbia or the City of Toronto, Ontario, are not generally open for business;
- (m) “**Certificate of Amalgamation**” shall mean the certificate of amalgamation issued by the Director pursuant to Section 178 of the OBCA.

- (n) “**Claims**” means any and all debts, costs, expenses, liabilities, obligations, losses and damages, penalties, proceedings, actions, suits, assessments, reassessments or claims of whatsoever nature or kind including regulatory or administrative (whether or not under common law, on the basis of contract, negligence, strict or absolute liability or liability in tort, or arising out of requirements of Applicable Laws), imposed on, incurred by, suffered by, or asserted against any Person or any property, absolute or contingent, and, except as otherwise expressly provided herein, includes all reasonable out-of-pocket costs, disbursements and expenses paid or incurred by such Person in defending any action;
- (o) “**Closing**” means the closing of the Proposed Transaction;
- (p) “**Concurrent Financing**” means the brokered financing to be completed by the Target of up to 3,200,000 Target Subscription Receipts at a price of \$2.50 per Target Subscription Receipt for gross proceeds of up to \$8,000,000, or, to raise up to \$9,200,000 if the option granted to Canaccord Genuity Corp. and Eight Capital which is exercisable at any time prior to the closing of the Concurrent Financing, to increase the size of the Concurrent Financing by up to an additional 480,000 Target Subscription Receipts;
- (q) “**Consolidation**” means the consolidation of all of the issued and outstanding Shellco Shares on the basis of one (1) new Shellco Share for every 42.5105 old Shellco Shares;
- (r) “**Constituting Documents**” means as to each of the Parties, the Shellco Subsidiaries, and the Target Subsidiaries, its respective certificate of incorporation, notice of articles, articles and bylaws, as applicable, as in effect as of the date of this Agreement;
- (s) “**Corporate Records**” means, the corporate records of each of the Parties, the Shellco Subsidiaries, and the Target Subsidiaries, including its respective Constituting Documents, share registers, registers of directors, list of bank accounts and signing authorities and minutes of shareholders’ and directors’ meetings;
- (t) “**Director**” means the Director appointed under Section 278 of the OBCA;
- (u) “**Dissenting Shareholder**” means a registered holder of Target Shares who has validly exercised its dissent rights in respect of the Amalgamation and transactions related thereto under the applicable provisions of the OBCA;
- (v) “**Effective Date**” means the effective date of the Amalgamation as set forth in the Certificate of Amalgamation issued to Amalco;
- (w) “**Effective Time**” means 12:01 a.m. (Toronto time) on the Effective Date;
- (x) “**Encumbrances**” means any encumbrance of any kind whatsoever and includes any pledge, lien, charge, security interest, lease, title retention agreement, mortgage, hypothec, restriction, royalty, right of first refusal, development or similar agreement, option or adverse claim or encumbrance of any kind or character whatsoever or howsoever arising, and any right or privilege capable of becoming any of the foregoing;
- (y) “**Environmental Approvals**” means, with respect to any Person, all permits, certificates, licences, authorizations, consents, instructions, registrations, directions, approvals, decisions, decrees, conditions, notifications, orders, demands or Claims issued or required

by any Governmental Authority pursuant to any Environmental Laws, which are binding upon or applicable to such Person or its business, assets or securities;

- (z) “**Environmental Laws**” means all Applicable Laws whether foreign or domestic, including applicable common law and civil law, for the protection of the natural environment and human health and safety and for the regulation of contaminants, pollutants, waste, toxic and hazardous substances, and includes Environmental Approvals;
- (aa) “**Exchange**” means the NEO Exchange Inc.;
- (bb) “**Governmental Authority**” means any federal, state, provincial and municipal government, regulatory authority, governmental department, ministry, agency, commission, bureau, official, minister, crown corporation, court, board, tribunal, stock exchange, dispute settlement panel or body or other law, rule or regulation-making entity having jurisdiction;
- (cc) “**IFRS**” means International Financial Reporting Standards applicable as of the date of the financial statements, document or event in question;
- (dd) “**Information Circular**” means the joint information circular of Target and Shellco in respect of the Shellco Meeting and the Target Meeting to consider and approve matters relating to the Proposed Transaction;
- (ee) “**ITA**” means the *Income Tax Act* (Canada), as amended, including the regulations promulgated thereunder, as amended from time to time;
- (ff) “**Listing Application**” means all documents required by the Exchange as part of its review for the purposes of listing the common shares of the Resulting Issuer on the Exchange upon completion of the Proposed Transaction, including, without limitation, the Information Circular;
- (gg) “**Material Adverse Change**” or “**Material Adverse Effect**” means, with respect to a Person, any matter or action that has an effect or change that is, or would reasonably be expected to be, material and adverse to the business, results of operations, assets, capitalization, financial condition, rights, liabilities or prospects, contractual or otherwise, of such Person and its subsidiaries, if applicable, taken as a whole, other than any matter, action, effect or change relating to or resulting from: (i) a matter that has been publicly disclosed prior to the date of this Agreement or otherwise disclosed in writing by a Party to the other Parties prior to the date of this Agreement; (ii) any action or inaction taken by such Person to which the other Person had consented in writing; (iii) the announcement of the transactions contemplated by the Amalgamation or this Agreement; or (iv) general economic, financial, currency exchange, securities, banking or commodity market conditions in the United States, Canada or worldwide, including by way of COVID-19, but only to the extent there are material adverse developments related thereto subsequent to the date hereof;
- (hh) “**Material Change**” and “**Material Fact**” has the meanings ascribed thereto under the Applicable Canadian Securities Laws;
- (ii) “**Material Contract**” means those contracts, agreements, understandings or arrangements entered into by Target or the Target Subsidiaries, or Shellco or the Shellco Subsidiaries, as

applicable, which have individual payment obligations on such party that exceed \$100,000, are for a term extending one year after the Effective Time, have been entered into out of the ordinary course of business, or are otherwise material to the Business;

- (jj) “**Name Change**” has the meaning ascribed thereto in Section 5.6;
- (kk) “**OBCA**” means the *Business Corporations Act* (Ontario), as amended, including the regulations promulgated thereunder;
- (ll) “**Outside Date**” means July 31, 2021, or such other date as mutually agreed by the Parties;
- (mm) “**Parties**” means, collectively, the parties to this Agreement, and “**Party**” means any one of them;
- (nn) “**Permit**” means any and all permits, licences, agreements, concessions, approvals, certificates, consents, certificates of approval, rights, privileges or franchises, registrations (including any required export/import approvals) and exemptions of any nature and other authorizations, conferred or otherwise granted by any Governmental Authority;
- (oo) “**Person**” is to be broadly interpreted and means any individual, partnership, limited partnership, limited liability partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted;
- (pp) “**Public Record**” means all information filed by Shellco with any securities commission or similar regulatory authority which are available through the SEDAR website as of the date hereof;
- (qq) “**Proposed Transaction**” means the proposed business combination of Shellco and Target to form the Resulting Issuer, and all related transactions contemplated in this Agreement;
- (rr) “**Resulting Issuer**” means Shellco upon completion of the Amalgamation and the listing of the Shellco Shares on the Exchange;
- (ss) “**Securities Act**” means the *Securities Act* (British Columbia), as amended, including the regulations promulgated thereunder;
- (tt) “**Shellco**” means 1169082 B.C. Ltd., a corporation existing under the laws of the Province of British Columbia;
- (uu) “**Shellco Convertible Securities**” means any securities of Shellco that have a right to acquire Shellco Shares;
- (vv) “**Shellco Meeting**” means the special meeting of holders of Shellco Shares to be called to consider and, if thought fit, authorize, approve the Proposed Transaction as contemplated herein, and all related matters, and includes any adjournments thereof;
- (ww) “**Shellco Shares**” means the common shares in the capital of Shellco;

- (xx) “**Shellco Subsidiaries**” means Subco, 1233705 B.C. Ltd., and any other subsidiaries that Shellco has acquired or may acquire prior to the completion of the Amalgamation, and a Shellco Subsidiary means any thereof;
- (yy) “**SubCo**” means 2835517 Ontario Ltd., a wholly-owned subsidiary of Shellco;
- (zz) “**SubCo Shares**” means common shares in the capital of SubCo;
- (aaa) “**subsidiary**” has the meaning ascribed thereto in the Securities Act;
- (bbb) “**Target**” means Awakn Life Sciences Inc. , a corporation organized under the laws of the Province of Ontario;
- (ccc) “**Target Convertible Securities**” means any securities in Target that have a right to acquire Target Shares;
- (ddd) “**Target Disclosure Letter**” means the disclosure letter executed by Target and delivered to Shellco concurrently with the execution of this Agreement;
- (eee) “**Target Financial Statements**” means: (i) the audited annual financial statements of Target for the period from the date of incorporation to January 31, 2021 and the notes thereto and management discussion and analysis in respect thereof;
- (fff) “**Target Meeting**” means the special meeting of Target Shareholders to be called to consider and, if thought fit, authorize, approve and adopt the Target Resolution and related matters, and includes any adjournments thereof;
- (ggg) “**Target Resolution**” means the special resolution in respect of the Amalgamation to be considered by the Target Shareholders at the Target Meeting;
- (hhh) “**Target Shareholders**” means the holders of Target Shares;
- (iii) “**Target Shares**” means common shares in the capital of Target;
- (jjj) “**Target Subscription Receipts**” means subscription receipts of Target issued pursuant to the Concurrent Financing which will automatically convert into Target Shares immediately prior to the Effective Time in accordance with their terms on the basis of one Target Share for each outstanding subscription receipt;
- (kkk) “**Target Subsidiaries**” means Awakn Life Sciences UK Ltd., Awakn London Limited, and Awakn Bristol Limited, and any other subsidiaries that Target has acquired or may acquire prior to the completion of the Amalgamation, and a Target Subsidiary means any thereof;
- (lll) “**Transfer Agent**” means National Securities Administrators Ltd., being the transfer agent for the Shellco Shares;
- (mmm) “**U.S. Person**” means a “U.S. person” as such term is defined in Rule 902(k) of Regulation S under the U.S. Securities Act; and
- (nnn) “**U.S. Securities Act**” means the United States Securities Act of 1933, as amended, and the rules, regulations and orders promulgated thereunder.

Interpretation

- 1.2 For the purposes of this Agreement, except as otherwise expressly provided:
- (a) the division of this Agreement into articles, sections and subsections is for convenience of reference only and does not affect the construction or interpretation of this Agreement. The terms “this Agreement”, “hereto”, “herein” and “hereunder” and similar expressions refer to this Agreement (including exhibits hereto) and not to any particular article, section or other portion hereof and include any agreement or instrument supplementary or ancillary hereto;
 - (b) words importing the singular number include the plural and vice versa, and words importing the use of any gender include all genders;
 - (c) the word “including”, when following any general statement or term, is not to be construed as limiting the general statement or term to the specific items or matters set forth or to similar items or matters, but rather as permitting the general statement or term to refer to all other items or matters that could reasonably fall within its broadest possible scope;
 - (d) if any date on which any action is required to be taken hereunder by any of the Parties is not a Business Day in the place where an action is required to be taken, such action is required to be taken on the next succeeding day which is a Business Day in such place;
 - (e) any reference in this Agreement to any statute or any section thereof shall, unless otherwise expressly stated, be deemed to be a reference to such statute or section as amended, restated or re-enacted from time to time, and to any regulations promulgated thereunder. References to any agreement or document shall be to such agreement or document (together with all schedules and exhibits thereto), as it may have been or may hereafter be amended, supplemented, replaced or restated from time to time;
 - (f) all sums of money that are referred to in this Agreement are expressed in lawful money of Canada unless otherwise noted;
 - (g) unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under IFRS and all determinations of an accounting nature are required to be made shall be made in a manner consistent with IFRS;
 - (h) all representations, warranties, covenants and opinions in or contemplated by this Agreement as to the enforceability of any covenant, agreement or document are subject to enforceability being limited by applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws relating to or affecting creditors’ rights generally, and the discretionary nature of certain remedies (including specific performance and injunctive relief and general principals of equity);
 - (i) where any representation or warranty contained in this Agreement is expressly qualified by reference to the knowledge of a Party, with respect to Target it refers to the actual knowledge of Anthony Tennyson and with respect to Shellco it refers to the actual knowledge of Scott Munro, in each case after due inquiry; and
 - (j) the Parties hereto acknowledge that their respective legal counsel have reviewed and participated in settling the terms of this Agreement, and the Parties agree that any rule of

construction to the effect that any ambiguity is to be resolved against the drafting Party will not be applicable in the interpretation of this Agreement.

Exhibits

1.3 The following exhibits attached hereto are incorporated into and form an integral part of this Agreement:

Exhibit "A" – Form of Articles of Amalgamation

PART 2 **THE AMALGAMATION**

Agreement to Amalgamate

2.1 The Parties agree that SubCo and Target shall amalgamate pursuant to the provisions of the OBCA as of the Effective Date and continue as one corporation on the terms and conditions set out in this Agreement.

Effect of Amalgamation

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

- (a) Target and SubCo shall be amalgamated and continue as one corporation;
- (b) each of Target and SubCo shall cease to exist as entities separate from Amalco;
- (c) Amalco shall possess all the property, rights, privileges and franchises and be subject to all the liabilities, including civil, criminal and quasi-criminal, and all the contracts, disabilities and debts of each of Target and Subco;
- (d) a conviction against, or ruling, order or judgment in favour of or against either Target and Subco may be enforced by or against Amalco;
- (e) the Articles of Amalgamation shall be deemed to be the articles of incorporation of Amalco and the Certificate of Amalgamation, except for the purposes of subsection 117(1) of the OBCA, shall be deemed to be the certificate of incorporation of Amalco; and
- (f) Amalco shall be deemed to be the party plaintiff or the party defendant, as the case may be, in any civil action commenced by or against either Target or Subco before the Amalgamation has become effective.

Name

2.3 The name of Amalco shall be "Awakn Life Sciences Inc." or such other name as determined by the directors of Target.

Registered Office

2.4 The registered office of Amalco shall be 200-366 Bay Street, Toronto, Ontario M5H 4B2.

Authorized Capital and Restrictions on Share Transfers

2.5 The authorized capital of Amalco shall consist of an unlimited number of common shares without par value, which shall have the rights, privileges, restrictions and conditions set out in the Articles of Amalgamation. No shares of Amalco may be transferred except in compliance with the restrictions set out in the Articles of Amalgamation.

Fiscal Year

2.6 The fiscal year end of Amalco shall be January 31 of each calendar year.

Business

2.7 There shall be no restriction on the business which Amalco is authorized to carry on.

Initial Directors of Amalco

2.8 The first directors of Amalco shall be the persons whose name and address appear below:

<u>Name</u>	<u>Address</u>
Anthony Tennyson	[REDACTED]
George Scorsis	[REDACTED]

Such director shall hold office until the first annual meeting of shareholders of Amalco or until his successor is elected or appointed.

Initial Officers of Amalco

2.9 The first officer of Amalco shall be the person whose name and position appear below:

<u>Name</u>	<u>Position</u>
Anthony Tennyson	President and Chief Financial Officer

Directors and Officers of Shellco Post-Closing

2.10 At or prior to the Effective Date, Shellco shall use commercially reasonable efforts to cause:

- (a) the board of directors of Shellco post-Closing to consist of up to five directors, or such other number of directors as determined by Target, all of whom will be nominated by Target; and
- (b) its officers to resign without payment by or any liability to Target or Shellco, including any change in control or bonus payments and commitments.

2.11 Target and Shellco shall enter into mutual releases with all former directors and officers of Shellco, in a form acceptable to Shellco and Target, acting reasonably, at the Effective Time.

Exchange of SubCo Shares and Target Shares

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

- (a) each Target Shareholder will receive one (post-Consolidation) Shellco Share in exchange for each Target Share held by such holder and the Target Shares will be cancelled;
- (b) each holder of SubCo Shares will receive one Amalco Share in exchange for each SubCo Share held by such holder and the SubCo Shares will be cancelled; and
- (c) in consideration for Shellco's issuance of Shellco Shares referenced in Section 2.12(a), Amalco shall issue to Shellco one Amalco Share for each Shellco Share issued by Shellco under Section 2.12(a).

Convertible Securities

2.13 The Parties acknowledge that, as at the Effective Time, all Target Convertible Securities will be exchanged for Shellco Convertible Securities on substantially the same terms as such Target Convertible Securities, exercisable into such number of Shellco Shares as the holder of such Target Convertible Security would have been entitled pursuant thereto if such Target Convertible Security had been exercised prior to the Effective Time. It is intended that the provisions of subsection 7(1.4) of the ITA apply to any exchange of Target Convertible Securities for Shellco Convertible Securities.

Dissenting Shareholders

2.14 In connection with the Target Meeting, registered Target Shareholders will be entitled to exercise dissent rights with respect to their Target Shares in connection with the Amalgamation pursuant to and in the manner set forth in the OBCA. Target shall give Shellco notice of any written notice of a dissent, withdrawal of such notice, and any other instruments served pursuant to such dissent rights and received by Target and shall provide Shellco with copies of such notices and written objections. Target Shares which are held by a Dissenting Shareholder shall not be exchanged for Shellco Shares pursuant to the Amalgamation. However, if a Dissenting Shareholder fails to perfect or effectively withdraws such Dissenting Shareholder's claim under the OBCA or forfeits such Dissenting Shareholder's right to make a claim under the OBCA, or if such Dissenting Shareholder's rights as a Target Shareholder are otherwise reinstated, such Target Shareholder's Target Shares shall thereupon be deemed to have been exchanged for Shellco Shares as of the Effective Time as prescribed herein.

Completion of the Amalgamation and Effective Date

2.15 Upon the satisfaction or waiver of the conditions herein contained in favour of each Party, Target and SubCo shall jointly complete and file Articles of Amalgamation, in duplicate, substantially in the form set forth in Exhibit "A" hereto with the Director appointed under the OBCA, giving effect to the Amalgamation of Target and Subco upon and subject to the terms of this Agreement. The Amalgamation shall become effective at the Effective Time.

Acknowledgment of Escrow and Resale Restrictions

2.16 Target acknowledges and agrees that in accordance with the policies of the Exchange, the Shellco Shares issued to certain Target Shareholders will be subject to escrow, seed share resale restrictions or both under the policies of the Exchange and Applicable Laws.

2.17 In addition to any other resale restrictions that may be imposed, any Target Shareholder who is a U.S. Person will receive Shellco Shares in exchange for such Target Shareholder's Target Shares which will bear a legend substantially in the following form:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE COMPANY THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE COMPANY; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (I) RULE 144 OR (II) RULE 144A, THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF PARAGRAPH (C) OR (D), THE SELLER FURNISHES TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY TO SUCH EFFECT.

THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT “GOOD DELIVERY” OF THE SECURITIES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE.”

PART 3 **COVENANTS**

Mutual Covenants

3.1 From the date of this Agreement until the earlier of the Effective Date and the termination of this Agreement in accordance with Part 9, except as otherwise expressly permitted or specifically contemplated by this Agreement, each of the Parties shall:

- (a) carry on its business in the usual, regular and ordinary course of business consistent with its past practice; provided that, for greater certainty, any actions taken by Target in response to the COVID-19 pandemic shall be deemed to be taken in the ordinary course of business consistent with past practice;

- (b) not incur any indebtedness other than in the ordinary course of business consistent with its past practice, or as required in connection with the transactions contemplated by this Agreement; provided that, for greater certainty, any actions taken by Target in response to the COVID-19 pandemic shall be deemed to be taken in the ordinary course of business consistent with past practice;
- (c) not alter or amend its Constatng Documents as the same exist at the date of this Agreement, except as required in connection with the transactions contemplated by this Agreement;
- (d) take, or cause to be taken, all action and to do, or cause to be done, all other things necessary, proper or advisable under Applicable Laws to complete the Amalgamation, including using reasonable commercial efforts:
 - (i) to obtain all necessary consents, assignments, waivers and amendments to or terminations of any agreements and take such measures as may be appropriate to fulfill its obligations hereunder and to carry out the transactions contemplated hereby;
 - (ii) to effect all necessary registrations, filings and submissions of information requested by Governmental Authorities required to be effected by it in connection with the Amalgamation;
 - (iii) to obtain Exchange acceptance of the Proposed Transaction and the listing of the common shares of the Resulting Issuer on the Exchange;
 - (iv) to oppose, lift or rescind any injunction or restraining or other order seeking to stop, or otherwise adversely affecting its ability to consummate, the Amalgamation and to defend, or cause to be defended, any proceedings to which it is a party or brought against it or its directors or officers challenging this Agreement, or the consummation of the transactions contemplated hereby; and
 - (v) to reasonably cooperate with the other Parties and their tax advisors in structuring the Amalgamation and other transactions contemplated to occur in conjunction with the Amalgamation in a tax effective manner and assist the other Parties and their tax advisors in making such investigations and enquiries with respect to such Parties in that regard, as the other Parties and its tax advisors shall consider necessary, acting reasonably;
- (e) not take any action that would render, or may reasonably be expected to render, any representation or warranty made by such Party in this Agreement untrue in any material respect;
- (f) use reasonable commercial efforts to obtain and maintain the third-party approvals applicable to them and provide the same to the other Parties on or prior to the Effective Date;
- (g) except as provided in this Agreement, not amalgamate or consolidate with, or enter into any other corporate reorganization with, any other corporation or Person or perform any act or enter into any transaction or negotiation which, in the opinion of Target or Shellco acting reasonably, interferes or is inconsistent with the completion of the transactions contemplated hereby. Without limiting the foregoing, except as provided in this

Agreement, none of the Parties shall (i) make any distribution by way of dividend, return of capital or otherwise to or for the benefit of its shareholders, (ii) subdivide, consolidate or reclassify their share capital, or (iii) issue any of its shares or other securities convertible into shares or enter into any commitment or agreement (other than on the exercise of convertible securities) except for shares issuable under the Intellectual Property Transfer Agreement as amended on April 23, 2021 with Equasy Enterprises Ltd, and pursuant to the consent of the other party or pursuant to the Concurrent Financing;

- (h) furnish to the other Parties such information, in addition to the information contained in this Agreement, relating to its financial condition, business, properties and affairs as may reasonably be requested by another Party, which information shall be true and complete in all material respects and shall not contain an untrue statement of any Material Fact or omit to state any Material Fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances in which they are made, not misleading and will notify the other Parties of any significant development or Material Change relating to it promptly after becoming aware of any such development or change;
- (i) promptly notify the other Parties in writing of any change in any representation or warranty provided in this Agreement which change is or may be of such a nature as to render any representation or warranty misleading or untrue in any material respect and the Parties shall in good faith discuss with the other Parties such change in circumstances (actual, anticipated, contemplated, or to its knowledge, threatened) which is of such a nature that there may be a reasonable question as to whether notice need to be given to the other Parties pursuant to this Section 3.1(i);
- (j) promptly notify the other Parties in writing of any material breach by such Party of any covenant, obligation or agreement contained in this Agreement; and
- (k) not, directly or indirectly, solicit, initiate, assist, facilitate, promote or knowingly encourage the initiation of proposals or offers from, entertain or enter into discussions or negotiations with any Person other than the other Parties hereto, with respect to any amalgamation, merger, consolidation, arrangement, restructuring, sale of any material assets or part thereof of such Party, unless such action, matter or transaction is part of the transactions contemplated in this Agreement or is required as a result of the duties of directors and officers of the applicable Party in compliance with Applicable Laws.

Additional Covenants of Shellco and SubCo

3.2 From the date of this Agreement until the earlier of the Effective Date and the termination of this Agreement in accordance with Part 9, except as expressly permitted or specifically contemplated by this Agreement or required by Applicable Laws, each of Shellco and SubCo covenant and agree that:

- (a) Shellco and SubCo shall use their reasonable commercial efforts to satisfy or cause the satisfaction of the conditions set forth in Section 7.1 and Section 7.3 as soon as reasonably practicable, to the extent the fulfillment of the same is within the control of Shellco or SubCo, as the case may be;
- (b) Shellco shall, as the sole shareholder of SubCo, approve by special resolution the Amalgamation, together with such matters as are required to effect the Amalgamation;

- (c) Shellco shall use reasonable commercial efforts to seek all requisite approvals in respect of the change of directors and officers of Shellco in accordance with Section 2.10 and Section 2.11, the Name Change and the Consolidation, together with the approval of any other matters as are required to effect the Amalgamation;
- (d) Shellco shall cause, as of the Effective Time, the Shellco Board of Directors and Shellco management to be reconstituted with such directors and officers as determined by Target in accordance with Section 2.10 and Section 2.11; and
- (e) Shellco shall, on the Effective Date, provide to the Transfer Agent a direction authorizing and directing the Transfer Agent to issue the Shellco Shares issuable under the Amalgamation to holders of the Target Shares and shall direct the Transfer Agent to distribute the Shellco Shares to the holders of the Target Shares in accordance with the terms of the Amalgamation.

Additional Covenants of Target

3.3 From the date of this Agreement until the earlier of the Effective Date and the termination of this Agreement in accordance with Part 9, except as expressly permitted or specifically contemplated by this Agreement or required by Applicable Laws, Target covenants and agrees that:

- (a) Target will use its reasonable commercial efforts to satisfy or cause the satisfaction of the conditions set forth in Section 7.1 and Section 7.2 as soon as reasonably practicable, to the extent the fulfillment of the same is within the control of Target;
- (b) Target shall use best efforts to seek approval of Target Shareholders pursuant to the Target Resolution, together with the approval of such matters as are required to effect the Amalgamation;
- (c) immediately prior to Closing, Target shall have the requisite number of public holders, each holding at least a board lot, as such terms are used in the policies of the Exchange;
- (d) Target shall promptly advise Shellco of the number of Target Shares for which Target receives notices of dissent or written objections to the Amalgamation.

PART 4 **REPRESENTATIONS AND WARRANTIES**

Representations and Warranties of Shellco and SubCo

4.1 Shellco and SubCo represent and warrant, jointly and severally, to Target as follows, and acknowledge that Target is relying upon such representations and warranties in connection with the matters contemplated by this Agreement:

- (a) each of Shellco and SubCo has good and sufficient right and authority to enter into this Agreement and carry out its intentions hereunder;
- (b) Shellco is duly incorporated under the BCBCA, is currently in good standing, has all corporate powers required to carry on its business as now conducted and is not subject to any regulatory decision or order prohibiting or restricting trading in its shares;

- (c) SubCo is duly incorporated under the OBCA, is currently in good standing, has all corporate powers required to carry on its business as now conducted and is not subject to any regulatory decision or order prohibiting or restricting trading in its shares;
- (d) Shellco is a “reporting issuer” (as such term is defined in the Securities Act) in good standing in British Columbia and Alberta and has not been placed on the list of defaulting issuers as maintained by the securities commissions of such jurisdictions;
- (e) Shellco is authorized to issue an unlimited number of Shellco Shares, of which 8,502,104 Shellco Shares are issued and outstanding as at the date hereof;
- (f) SubCo is authorized to issue an unlimited number of SubCo Shares, of which 100 SubCo Shares are outstanding as at the date hereof, which are all held by Shellco;
- (g) there are no other shares, options, warrants, convertible notes or debentures, agreements, documents, instruments or other writings of any kind whatsoever which constitute a “security” of Shellco or SubCo (as that term is defined in the Securities Act) and, except as provided in this Agreement, Shellco has no agreements or commitments of any character whatsoever convertible into, or exchangeable or exercisable for or otherwise requiring the issuance, sale or transfer by Shellco of any Shellco Shares or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any Shellco Shares;
- (h) there are no outstanding actions, suits, judgments, investigations or proceedings of any kind whatsoever against or affecting Shellco or a Shellco Subsidiary at law or in equity or before or by any Governmental Authority, nor are there, to their knowledge, any pending or threatened;
- (i) this Agreement is a binding agreement on Shellco and SubCo, enforceable against each of them in accordance with its terms and conditions (subject to such limitations and prohibitions as may exist or may be enacted in applicable laws relating to bankruptcy, insolvency, liquidation, moratorium, reorganization, arrangement or winding-up and other laws, rules and regulations of general application affecting the rights, powers, privileges, remedies and/or interests of creditors generally, and except as limited by the application of equitable principles when equitable remedies are sought and by the fact that rights to waiver, indemnity and contribution, and the ability to sever unenforceable terms, may be limited by applicable law);
- (j) neither Shellco nor a Shellco Subsidiary is party to any Material Contracts other than this Agreement;
- (k) neither the execution and delivery of this Agreement, nor the consummation of the Amalgamation, will conflict with or result in any breach of any of the terms or provisions of, or constitute a default under, the material contracts and the Constatng Documents of Shellco, director or shareholder minutes of Shellco, any agreement or instrument to which Shellco is a party or by which Shellco is bound, or any order, decree, statute, regulation, covenant or restriction applicable to Shellco;
- (l) neither Shellco nor any Shellco Subsidiary has any liabilities, obligations or indebtedness (whether accrued, absolute, contingent or otherwise) of any kind whatsoever, and, there is no basis for assertion against Shellco nor any Shellco Subsidiary of any liabilities,

obligations or indebtedness (whether accrued, absolute, contingent or otherwise) of any kind, other than liabilities disclosed or reflected in the financial statements of Shellco, incurred in the ordinary course of business following the dates of the most recent financial statements of Shellco or for professional fees accrued but not yet invoiced, and neither Shellco nor any Shellco Subsidiary has granted general security over its assets or security in any particular asset;

- (m) the financial statements of Shellco are prepared in accordance with IFRS and present fairly, in all material respects, the financial position of Shellco as at such date, and do not omit to state any Material Fact that is required by applicable Laws to be stated or reflected therein or which is necessary to make the statements contained therein not misleading;
- (n) none of Shellco or any Shellco Subsidiary has any loan or other indebtedness outstanding which has been made to or from any of its shareholders, officers, directors or employees, past or present, or any Person not dealing at “arm’s length” (as such term is defined in the ITA);
- (o) Shellco has never had any employees and it is a party to no written or verbal contracts of employment;
- (p) there has never been a “disagreement” (within the meaning of National Instrument 51-102 – *Continuous Disclosure Obligations*) with the past or present auditors of Shellco;
- (q) the documents and materials comprising the Public Record of Shellco are in all material respects accurate and up to date and contain no misrepresentation, nor omit any facts, the omission of which makes the Public Record or any particulars therein, materially misleading or incorrect;
- (r) the information in the Information Circular relating to Shellco and SubCo will be true, correct and complete in all material respects and not contain any untrue statement of any Material Fact, nor omit to state any Material Fact required to be stated therein or necessary in order to make the statements therein not misleading in light of the context in which they are to be made;
- (s) Shellco is up to date and current with all filings and fees required by the Securities Commissions of British Columbia and Alberta and all such filings were true and accurate in all material respects as at the respective dates thereof and Shellco has not filed any confidential material change reports;
- (t) neither Shellco nor any Shellco Subsidiary has made any tax filings and to the knowledge of Shellco no such tax filings are currently outstanding;
- (u) the Corporate Records of Shellco and the Shellco Subsidiaries are complete and accurate in all material respects and all corporate proceedings and actions reflected in the Corporate Records have been conducted or taken in compliance with all Applicable Laws and with the Constatng Documents of Shellco and the Shellco Subsidiaries, as applicable. Without limiting the generality of the foregoing, in respect of the Corporate Records of Shellco (i) the minute books contain complete and accurate minutes of all meetings of the directors and shareholders held since incorporation and all such meetings were properly called and held, (ii) the minute books contain all resolutions passed by the directors and shareholders (and committees, if any) and all such resolutions were properly passed, (iii) the share

certificate books, register of shareholders and register of transfers are complete and accurate, all transfers have been properly completed and approved and any tax payable in connection with the transfer of any securities has been paid, and (iv) the registers of directors and officers are complete and accurate and all former and present directors and officers were properly elected or appointed, as the case may be;

- (v) no proceedings have been taken, are pending or authorized by Shellco or any Shellco Subsidiaries or by any other Person, in respect of the bankruptcy, insolvency, liquidation or winding up of Shellco or any Shellco Subsidiary;
- (w) as at the date hereof, there are no reasonable grounds for believing that any creditor of Shellco or any Shellco Subsidiary will be prejudiced by the Amalgamation;
- (x) as at the date hereof, Shellco has no subsidiaries, except for the Shellco Subsidiaries;
- (y) there are no agreements, covenants, undertakings, rights of first refusal or other commitments of either Shellco or SubCo or any instruments binding on it or its assets:
 - (i) which would preclude it from entering into this Agreement;
 - (ii) under which the Amalgamation would have the effect of imposing restrictions or obligations on Amalco greater than those imposed upon Shellco or SubCo;
 - (iii) which would give a third party, as a result of the transactions contemplated in this Agreement, the right to terminate any material agreement to which Shellco or SubCo is a party or to purchase any of Shellco's, SubCo's or Amalco's assets; or
 - (iv) which would impose restrictions on the ability of Amalco:
 - (A) to carry on any business which it might choose to carry on within any geographical area;
 - (B) to acquire property or dispose of its property and assets as an entirety;
 - (C) to pay dividends, redeem shares or make other distributions to its shareholders;
 - (D) to borrow money or to mortgage and pledge its property as security therefore; or
 - (E) to change its corporate status;
- (z) neither Shellco nor any of its subsidiaries is a party to any agreement, nor is Shellco aware of any agreement, which in any manner affects the voting control of any of the Shellco Shares or other securities of Shellco or its subsidiaries;
- (aa) all information supplied by Shellco or its representatives to Target in the course of Target's due diligence review in respect of the transactions contemplated by this Agreement, is accurate and correct in all material respects; and
- (bb) the representations, warranties or statements of fact made in this section do not contain any untrue statement of a Material Fact or omit to state any Material Fact necessary to make

any such warranty or representation not misleading to Target in seeking full information as to Shellco and the Shellco Subsidiaries and their assets, liabilities and business.

Representations and Warranties of Target

4.2 Target represents and warrants to Shellco and SubCo as follows, and acknowledges that Shellco and SubCo are relying upon such representations and warranties in connection with the matters contemplated by this Agreement:

- (a) it has good and sufficient right and authority to enter into this Agreement and carry out its intentions hereunder;
- (b) it is duly incorporated under the OBCA and is currently in good standing, and is not subject to any regulatory decision or order prohibiting or restricting trading in its shares;
- (c) Other than certain outstanding licenses pertaining to the Business that have been disclosed in writing by Target to Shellco, Target and each of the Target Subsidiaries, has full corporate power, capacity and authority and is duly qualified, licensed or registered to or possesses all material certificates, authority, permits and licenses issued by the appropriate Governmental Authority to undertake and conduct its Business as now conducted by it, and as proposed to be conducted, in all jurisdictions in which the nature of Target's and each of the Target Subsidiaries assets or Business makes such qualification necessary, and it conducts its Business in compliance in all material respects with such certificates, authorities, permits or licenses and has not received any notice of proceedings related to the revocation or modification of any such certificate, authority, permit or license which, singly or in the aggregate, if the subject of an unfavourable decision, order, finding or ruling, would materially and adversely affect the conduct of the Business, operations, financial condition or income of Target;
- (d) it is authorized to issue an unlimited number of Target Shares and immediately prior to Closing, but excluding any Target Shares issued under the Concurrent Financing, there will be 20,816,667 Target Shares issued and outstanding and no other Target Shares issued or outstanding. All Target Shares will be duly issued in compliance with all Applicable Laws including, without limitation, Applicable Canadian Securities Laws;
- (e) other than: (a) Target Convertible Securities to purchase 3,354,792 Target Shares at an exercise price ranging from of \$0.075 to \$1.80 per Target Share with expiry dates ranging from two (2) years from listing on the NEO Exchange to April 12, 2026; (b) the securities which may be issued in connection with the Concurrent Financing; and (c) shares issuable under the Intellectual Property Transfer Agreement as amended on April 23, 2021 with Equasy Enterprises Ltd. there are no other shares, options, warrants, convertible notes or debentures, agreements, documents, instruments or other writings of any kind whatsoever which constitute a "security" of Target (as that term is defined in the Securities Act) and Target has no agreements or commitments of any character whatsoever convertible into, or exchangeable or exercisable for or otherwise requiring the issuance, sale or transfer by Target of any Target Shares or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any Target Shares;
- (f) Target has no subsidiaries other than the Target Subsidiaries, and none of Target nor any of the Target Subsidiaries is a partner, co-tenant, joint venture or otherwise in any partnership, co-tenancy or other similarly joint owned business;

- (g) each of the Target Subsidiaries is duly incorporated in its respective jurisdiction and is currently in good standing, and is not subject to any regulatory decision or order prohibiting or restricting trading in its securities;
- (h) Except for Awakn Bristol Limited, where the Target owns 51%, the Target legally or beneficially owns 100% of the issued share capital of each of the Target Subsidiaries, free and clear of any pledge, lien, security interest, charge, claim or encumbrance. None of Target or any of the Target Subsidiaries is a party to or has granted any agreement, warrant, option, right or privilege capable of becoming an agreement for the purchase, subscription or issuance of any securities of any of Target Subsidiaries;
- (i) Target is not a “reporting issuer” nor an associate of a “reporting issuer” (as such term is defined in the Securities Act) and the Target Shares do not trade on any stock exchange;
- (j) there are no outstanding actions, suits, judgments, investigations or proceedings of any kind whatsoever against or affecting Target or any Target Subsidiary at law or in equity or before or by any federal, provincial, state, municipal or other governmental department, commission, board, bureau or agency of any kind whatsoever nor are there, to its knowledge, any pending or threatened;
- (k) this Agreement is a binding agreement on Target, enforceable against it in accordance with its terms and conditions (subject to such limitations and prohibitions as may exist or may be enacted in applicable laws relating to bankruptcy, insolvency, liquidation, moratorium, reorganization, arrangement or winding-up and other laws, rules and regulations of general application affecting the rights, powers, privileges, remedies and/or interests of creditors generally, and except as limited by the application of equitable principles when equitable remedies are sought and by the fact that rights to waiver, indemnity and contribution, and the ability to sever unenforceable terms, may be limited by applicable law);
- (l) neither the execution and delivery of this Agreement, nor the consummation of the Amalgamation, will conflict with or result in any breach of: (i) any of the terms or provisions of, or constitute a default under, the Material Contracts, the Constatting Documents of Target or the Target Subsidiaries, director or shareholder minutes of Target or of any Target Subsidiary, any agreement or instrument to which Target or a Target Subsidiary is a party or by which Target or a Target Subsidiary is bound; (ii) consent, approval, authorization or order of any court or governmental agency, body or Governmental Authority; or (iii) any statute or regulation of any Governmental Authority which is binding on Target or any of the Target Subsidiaries;
- (m) none of Target nor any Target Subsidiary is in default under any Material Contract to which it is a party and there has not occurred any event which, with the lapse of time or giving of notice or both, would constitute a default under any Material Contract by Target or any Target Subsidiary, as applicable. Each Material Contract is in full force and effect, unamended by written or oral agreement, and either Target or a Target Subsidiary, as applicable, is entitled to the full benefit and advantage of each Material Contract in accordance with its terms. Neither Target nor any Target Subsidiary has received any notice of a default by Target or its Target Subsidiaries, as applicable, or a dispute between Target or a Target Subsidiary and any other party in respect of any Material Contract;
- (n) the Target Financial Statements are prepared in accordance with IFRS and present fairly, in all material respects, the financial position of Target and the Target Subsidiaries as at

such date, and do not omit to state any Material Fact that is required by applicable Laws to be stated or reflected therein or which is necessary to make the statements contained therein not misleading;

- (o) Target is not aware of any legislation, or proposed legislation published by a legislative body as at the date of this Agreement, which it anticipates will materially and adversely affect the Business, affairs, operations, assets, liabilities (contingent or otherwise) or prospects of Target or any of the Target Subsidiaries;
- (p) Target and the Target Subsidiaries own and possess 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 knowledge of the Target, neither the Target nor any of the Target Subsidiaries is 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;
- (q) none of the Target nor any Target Subsidiary has any liabilities, obligations or indebtedness (whether accrued, absolute, contingent or otherwise) of any kind whatsoever, and, there is no basis for assertion against Target nor any Target Subsidiary of any liabilities, obligations or indebtedness (whether accrued, absolute, contingent or otherwise) of any kind, other than liabilities disclosed or reflected in the Target Financial Statements, incurred in the ordinary course of business following the dates of the most recent Target Financial Statement or for professional fees accrued but not yet invoiced and neither Target nor any Target Subsidiary has granted general security over its assets or security in any particular asset;
- (r) the information in the Information Circular relating to Target and the Target Subsidiaries will be true, correct and complete in all material respects and will not contain any untrue statement of any Material Fact, nor omit to state any Material Fact required to be stated therein or necessary in order to make the statements therein not misleading in light of the context in which they are to be made;
- (s) after completion of the Concurrent Financing and immediately prior to the Amalgamation, no non-resident of Canada (as such term is defined in the ITA) nor any group of non-resident persons, each member of which does not deal at arm's length with the other members, either individually or collectively, will hold over 50% of the voting shares of Target or the Resulting Issuer as a result of the Amalgamation or as part of a subsequent transaction or series of transactions that includes the Amalgamation;
- (t) neither Target nor any Target Subsidiary has any outstanding taxes due and payable and there exist no facts or circumstances which may reasonably be expected to result in the issuance of assessment or reassessment of tax that could have a Material Adverse Effect;
- (u) each of Target and the Target Subsidiaries has duly and on a timely basis prepared and filed all tax returns required to be filed by it prior to the date hereof and such returns and documents are complete and correct. Target has no knowledge of any contingent tax liabilities or any ground which would prompt an assessment or reassessment of any of such returns or reports, including aggressive treatment of income and expenses in filing any tax returns. Complete and correct copies of all such returns and other documents filed in respect of the last fiscal year ending prior to the date hereof have been provided to Shellco prior to the date hereof;

- (v) the Corporate Records of Target and the Target Subsidiaries are complete and accurate in all material respects and all corporate proceedings and actions reflected in the Corporate Records have been conducted or taken in compliance with all Applicable Laws and with the Constatng Documents of Target and each Target Subsidiary, as applicable. Without limiting the generality of the foregoing, in respect of the Corporate Records of Target (i) the minute books contain complete and accurate minutes of all meetings of the directors and shareholders held since incorporation and all such meetings were properly called and held, (ii) the minute books contain all resolutions passed by the directors and shareholders (and committees, if any) and all such resolutions were properly passed, (iii) the share certificate books, register of shareholders and register of transfers are complete and accurate, all transfers have been properly completed and approved and any tax payable in connection with the transfer of any securities has been paid, and (iv) the registers of directors and officers are complete and accurate and all former and present directors and officers were properly elected or appointed, as the case may be;
- (w) no proceedings have been taken, are pending or authorized by Target or a Target Subsidiary or by any other Person, in respect of the bankruptcy, insolvency, liquidation or winding up of Target or any Target Subsidiary;
- (x) as at the date hereof there are no reasonable grounds for believing that any creditor of Target will be prejudiced by the Amalgamation;
- (y) to the knowledge of Target, after due inquiry, all the properties in which Target or the Target Subsidiaries have any freehold, leasehold, licence or other interest are free and clear of any hazardous or toxic material, pollution, or other adverse environmental conditions which may give rise to any and all Claims (including, without limitation, attorneys' fees and costs, experts' fees and costs, and consultant's fees and costs) of any kind or of any nature whatsoever that are asserted against Target or any of the Target Subsidiaries, alleging liability (including, without limitation, liability for studies, testing or investigatory costs, clean-up costs, response costs, removal costs, remediation costs, contaminant costs, restoration costs, corrective action costs, closure costs, reclamation costs, natural resource damages, property damages, business losses, personal injuries, penalties or fines) arising out of, based on or resulting from (i) the presence, release, threatened release, discharge or emission into the environment of any hazardous materials or substances existing or arising on, beneath or above properties and/or emanating or migrating and/or threatening to emanate or migrate from such properties to off-site properties; (ii) physical disturbance of the environment; and (iii) the violation or alleged violation of all Applicable Laws aimed at reclamation or restoration of such properties; abatement of pollution; protection of the environment, protection of wildlife, including endangered species; ensuring public safety from environmental hazards; protection of cultural and historic resources; management, storage or control of hazardous materials and substances; releases or threatened releases of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances as wastes into the environment, including without limitation, ambient air, surface water and groundwater; and all other Environmental Laws; and to the knowledge of Target, after due inquiry, all Environmental Approvals required pursuant to Environmental Laws with respect to activities carried out on any part of the lands covered by such properties, have been obtained, are valid and in full force and effect and have been complied with; and there are no proceedings commenced or threatened to revoke or amend any such Environmental Approvals;

- (z) neither Target nor any of the Target Subsidiaries has any loan or other indebtedness outstanding which has been made to any of its shareholders, officers, directors or employees, past or present, or any Person not dealing at “arm’s length” (as such term is defined in the ITA);
- (aa) Target and the Target Subsidiaries have been and are being operated in compliance, in all material respects, with Applicable Laws relating to employment, including employment standards, occupational health and safety, human rights, labour relations, workers compensation, pay equity and employment equity and neither Target nor any Target Subsidiary has received notice of any outstanding assessments, penalties, fines, liens, charges, surcharges, or other amounts due or owing pursuant to any workers’ compensation legislation and neither Target nor any Target Subsidiary has been reassessed in any material respect under such legislation;
- (bb) there are no agreements, covenants, undertakings, rights of first refusal or other commitments of Target or the Target Subsidiaries or any instruments binding on their assets:
 - (i) which would preclude Target from entering into this Agreement;
 - (ii) under which the Amalgamation would have the effect of imposing restrictions or obligations on Amalco greater than those imposed upon Target;
 - (iii) which would give a third party, as a result of the transactions contemplated in this Agreement, the right to terminate any material agreement to which Target or any of the Target Subsidiaries is a party or to purchase any of Target’s, a Target Subsidiary’s or Amalco’s assets; or
 - (iv) which would impose restrictions on the ability of Amalco:
 - (A) to carry on any business which it might choose to carry on within any geographical area;
 - (B) to acquire property or dispose of its property and assets as an entirety;
 - (C) to pay any dividends, redeem shares or make other distributions to its shareholders;
 - (D) to borrow money or to mortgage and pledge its property as security therefor; or
 - (E) to change its corporate status;
- (cc) Target and the Target Subsidiaries and the operation of their Business are in compliance with Applicable Laws, and neither Target or any Target Subsidiary has received written notice, correspondence or warning of any alleged violation, offence or breach of, and to the knowledge of Target, is not under investigation or subject to any Action or complaint with respect to and has not been threatened to be charged with or notified of any alleged violation, offence or breach of, any Applicable Law, or any other applicable licences and permits issued by any applicable Governmental Authority, any Applicable Laws relating in whole or in part to information privacy, personal information, employment, employment

practices, labour (including pay equity and wages, termination and severance, and unfair labour practice), health and safety and/or Environmental Laws, laws relating to bribery of the foreign public officials (including the *Corruption of Foreign Public Officials Act*) and anti-money laundering and proceeds of crime legislation (including the *Proceeds of Crime (Money Laundering) Act*;

- (dd) neither Target nor the Target Subsidiaries are subject to any obligation to make any investment in or to provide funds by way of loan, capital contribution or otherwise to any Person;
- (ee) neither Target nor any of the Target Subsidiaries is a party to or bound or affected by any commitment, agreement or document containing any covenant which expressly limits the freedom of Target or any of the Target Subsidiaries to compete in any line of business, or to transfer or move any of its assets or operations or which materially or adversely affects the business practices, operations or condition of Target or the Target Subsidiaries or which would prohibit or restrict Target or any of the Target Subsidiaries from entering into and completing the Amalgamation;
- (ff) neither Target nor any of the Target Subsidiaries is aware of any pending or contemplated change to any Applicable Law, or governmental position that would materially affect the Business taken as a whole or the legal environments under which Target and the Target Subsidiaries operate; and
- (gg) neither Target nor the Target Subsidiaries is a party to any agreement, nor is Target aware of any agreement, which in any manner affects the voting control of any of the Target Shares or other securities of Target or the Target Subsidiaries.

Survival of Representation and Warranties

4.3 The representations and warranties herein shall survive the performance of the Parties respective obligations hereunder and the termination of this Agreement but shall expire two years after the Effective Date.

PART 5 AGREEMENTS

Shellco Meeting, Target Meeting and Target Information Circular

5.1 As promptly as practical following the execution of this Agreement and in compliance with Applicable Laws (including Applicable Canadian Securities Laws in the case of Shellco and applicable corporate laws) each of Shellco and Target shall, as applicable:

- (a) set the record date for Target Shareholders entitled to vote at the Target Meeting and the Target Meeting date as promptly as practicable;
- (b) set the record date for holders of Shellco Shares entitled to vote at the Shellco Meeting and the Shellco Meeting date as promptly as practicable;

- (c) prepare the Information Circular in the form and containing the information required by all Applicable Laws, including the Applicable Canadian Securities Laws and all applicable corporate laws;
- (d) take all commercially reasonable lawful actions to solicit proxies in favour of the Proposed Transaction and all related matters under Applicable Laws (including Applicable Canadian Securities Laws); and
- (e) promptly advise the other Parties of any material communication (written or oral) from or claims brought by (or threatened to be brought by) any shareholders (including Dissenting Shareholders) in opposition to the Proposed Transaction.

Proposed Transaction

5.2 Target and Shellco shall:

- (a) as soon as practicable apply to the Exchange and diligently seek the approval of the Exchange for the Proposed Transaction and the listing of the common shares of the Resulting Issuer;
- (b) as soon as practicable deliver to the Exchange the Listing Application as contemplated by this Agreement; and
- (c) use their reasonable commercial efforts to consummate the transactions contemplated by this Agreement.

Listing Application

5.3 As soon as practicable following the execution of this Agreement, and in compliance with Applicable Laws (including Applicable Canadian Securities Laws) and the policies of the Exchange:

- (a) Target and Shellco shall cooperate in the preparation of the Listing Application, in a form mutually acceptable to the Parties, acting reasonably, and each Party shall provide the other Party with the necessary information in respect of it to ensure that the Listing Application provides information in compliance in all material respects with Exchange policies on the date of filing thereof; and
- (b) Target and Shellco shall make commercially reasonable efforts to cause the Information Circular to be filed with applicable regulatory authorities in all jurisdictions where the same is required to be filed.

Preparation of Filings

- 5.4 (a) Shellco and Target shall cooperate in the taking of all such action as may be required under the BCBCA, the OBCA, Applicable Canadian Securities Laws, Exchange policies and other Applicable Laws in connection with the transactions contemplated by this Agreement.
- (b) Each of Shellco and Target shall promptly furnish to the other all information concerning it as may be required for the effectuation of the actions described in this Agreement and the provisions of this Section 5.4.

Concurrent Financing

5.5 Target will use commercially reasonable efforts to complete the Concurrent Financing prior to the Effective Date. Pursuant to the Concurrent Financing, Target will issue the Target Subscription Receipts at an issuance price of \$2.50 per Target Subscription Receipt which will automatically convert into Target Shares immediately prior to the Effective Time in accordance with their terms on the basis of one Target Share for each outstanding Target Subscription Receipt. In connection with the Concurrent Financing, Target may pay cash fees in connection with the Concurrent Financing. The Parties will cooperate to structure and complete the Concurrent Financing in such a way to ensure that the Resulting Issuer meets the Exchange's distribution requirements and the Parties understand and agree that the Concurrent Financing will be the mechanism by which such distribution requirements are met.

Name Change

5.6 On or prior to the Effective Date, Shellco shall change its name to "Awakn Life Sciences Corp." or such other name as may be agreed by the Parties, subject to the approval of the Exchange and as may be accepted by the Director (the "**Name Change**").

Consolidation

5.7 Shellco shall use commercially reasonable efforts to, on or prior to the Effective Date, effect the Consolidation.

PART 6 **INDEMNIFICATION**

Indemnification by Target

6.1 Subject to Section 6.3, Target hereby covenants and agrees with each of Shellco and SubCo, and their respective directors, officers, employees, agents, advisors and representatives (the Persons being indemnified by Target are hereinafter individually referred to as the "**Shellco Indemnified Party**"), to indemnify and save harmless the Shellco Indemnified Party from and against any and all Claims which may be suffered or incurred by the Shellco Indemnified Party as a result of, or arising out of:

- (a) any non-fulfillment of any covenant or agreement on the part of the Indemnifying Party (as defined below) under this Agreement; or
- (b) any incorrectness in or breach of any representation or warranty of the Indemnifying Party contained in this Agreement,

except that Target shall not be liable in any such case to the extent that any such Claims arise out of or are based upon the negligence of a Shellco Indemnified Party or the material non-compliance by a Shellco Indemnified Party with any requirement of Applicable Laws in connection with the transactions contemplated by this Agreement.

Indemnification by Shellco

6.2 Subject to Section 6.3, Shellco hereby covenants and agrees with Target and its directors, officers, employees, agents, advisors and representatives (the Persons being indemnified by Shellco are hereinafter individually referred to as the "**Target Indemnified Party**"), to indemnify and save harmless

the Target Indemnified Party from and against any and all Claims which may be suffered or incurred by the Target Indemnified Party as a result of, or arising out of:

- (a) any non-fulfillment of any covenant or agreement on the part of the Shellco under this Agreement; or
- (b) any incorrectness in or breach of any representation or warranty of Shellco contained in this Agreement,

except that Shellco shall not be liable in any such case to the extent that any such Claims arise out of or are based upon the negligence of a Target Indemnified Party or the material non-compliance by a Target Indemnified Party with any requirement of Applicable Laws in connection with the transactions contemplated by this Agreement.

Limitation on Indemnification

6.3 The indemnification obligations of Target pursuant to Section 6.1 and the indemnification obligations of Shellco pursuant to Section 6.2 (each an “**Indemnifying Party**”) shall be subject to the following:

- (a) the Claim shall have been made in writing in accordance with Section 6.4 within one year of the Effective Date; and
- (b) an Indemnifying Party shall not be required to indemnify a Shellco Indemnified Party or a Target Indemnified Party, as applicable (each an “**Indemnified Party**”) until the aggregate Claims sustained by that Indemnified Party exceeds a value of \$50,000, in which case, the Indemnifying Party shall be obligated to the Indemnified Party for all Claims.

Procedure for Indemnification

6.4 The following provisions shall apply to any Claims for which the Indemnifying Party may be obligated to indemnify an Indemnified Party pursuant to this Agreement:

- (a) upon receipt from a third party by the Indemnified Party of notice of a Claim or the Indemnified Party becoming aware of any Claims in respect of which the Indemnified Party proposes to demand indemnification from the Indemnifying Party, the Indemnified Party shall give notice to that effect to the Indemnifying Party with reasonable promptness, provided that failure to give such notice shall not relieve the Indemnifying Party from any liability it may have to the Indemnified Party except to the extent that the Indemnifying Party is prejudiced thereby;
- (b) in the case of Claims arising from third parties, the Indemnifying Party shall have the right by notice to the Indemnified Party not later than 30 days after receipt of the notice described in Section 6.4(a) above to assume the control of the defense, compromise or settlement of the Claims, provided that such assumption shall, by its terms, be without costs to the Indemnified Party and the Indemnifying Party shall at the Indemnified Party’s request furnish it with reasonable security against any costs or other liabilities to which it may be or become exposed by reason of such defense, compromise or settlement;
- (c) upon the assumption of control by the Indemnifying Party as aforesaid, the Indemnifying Party shall diligently proceed with the defense, compromise or settlement of the Claims at

its sole expense, including employment of counsel reasonably satisfactory to the Indemnified Party and, in connection therewith, the Indemnified Party shall co-operate fully, but at the expense of the Indemnifying Party, to make available to the Indemnifying Party all pertinent information and witnesses under the Indemnified Party's control, make such assignments and take such other steps as in the opinion of counsel for the Indemnifying Party are necessary to enable the Indemnifying Party to conduct such defense; provided always that the Indemnified Party shall be entitled to reasonable security from the Indemnifying Party for any expense, costs or other liabilities to which it may be or may become exposed by reason of such co-operation;

- (d) the final determination of any such Claims arising from third parties, including all related costs and expenses, will be binding and conclusive upon the Parties as to the validity or invalidity, as the case may be, of such Claims against the Indemnifying Party hereunder; and
- (e) should the Indemnifying Party fail to give notice to the Indemnified Party as provided in Section 6.4(b) above, the Indemnified Party shall be entitled to make such settlement of the Claims as in its sole discretion may appear reasonably advisable, and such settlement or any other final determination of the Claims shall be binding upon the Indemnifying Party.

PART 7

CONDITIONS PRECEDENT

Mutual Conditions Precedent

7.1 The respective obligations of the Parties to consummate the transactions contemplated hereby, and in particular the completion of the Amalgamation, are subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

- (a) the Target Resolution shall have been approved by the Target Shareholders at the Target Meeting;
- (b) Shellco shall have received all shareholder and/or board approvals necessary or desirable in connection with the Proposed Transaction, including, without limitation, approval of the change of directors and officers of Shellco in accordance with Section 2.10 and Section 2.11, the Name Change and the Consolidation;
- (c) Shellco shall have effected the Name Change and the Consolidation on or prior to the Effective Date;
- (d) the Amalgamation shall have become effective on or prior to the Outside Date;
- (e) the completion of the Concurrent Financing;
- (f) Shellco and Target shall have executed and delivered a copy of the Listing Application to the Exchange and such Listing Application shall have been conditionally accepted by the Exchange subject only to customary conditions of closing, provided that if the Amalgamation is rejected by the Exchange, (i) all recourse or rights of appeal as contemplated hereby will have been exhausted, and (ii) the Party wishing to terminate this

Agreement on this basis will have first used commercially reasonable efforts to negotiate an amendment to the terms of the Proposed Transaction objectionable to the Exchange on terms acceptable to the Parties, acting reasonably;

- (g) Shellco shall not be in default of the requirements of the Exchange and any securities commission and no order shall have been issued and currently in effect preventing the Amalgamation or the trading of any securities of the Resulting Issuer;
- (h) all other consents, orders and approvals, including regulatory and third-party approvals and orders, necessary or desirable for the completion of the transactions provided for in this Agreement and the Amalgamation shall have been obtained or received from the Persons, authorities or bodies having jurisdiction in the circumstances;
- (i) this Agreement shall not have been terminated under Part 9;
- (j) dissent rights shall not have been exercised with respect to the Amalgamation by Target Shareholders which in the aggregate represent 5% or more of issued and outstanding Target Shares on the execution date of the Target Resolution or the record date of the Target Meeting, as applicable;
- (k) the availability of prospectus exemptions for the issuance of Shellco Shares pursuant to the Amalgamation under Applicable Canadian Securities Laws and the availability of registration exemptions for the issuance of Shellco Shares pursuant to the Amalgamation under applicable securities laws of the United States in respect of any Shellco Shares to be issued in the United States; and
- (l) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement and the Amalgamation.

The foregoing conditions are for the mutual benefit of Shellco and SubCo on the one hand and Target on the other hand and may be waived, in whole or in part, jointly by the Parties at any time. If any of the foregoing conditions are not satisfied or waived on or before the Effective Date then a Party may terminate this Agreement by written notice to the other Parties in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of such terminating Party's breach of this Agreement.

Additional Conditions to Obligations of Shellco and SubCo

7.2 The obligations of Shellco and SubCo to consummate the transactions contemplated hereby, and in particular to complete the Amalgamation, are subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

- (a) Target shall have performed, satisfied and complied with all obligations, covenants and agreements to be performed and complied with by it on or before the Effective Date pursuant to the terms of this Agreement and that the representations and warranties of Target made in this Agreement shall be true and correct in all material respects as at the Effective Date with the same force and effect as if such representations and warranties had been made on and as of such date;
- (b) Target shall have furnished Shellco with:

- (i) certified copies of the resolutions duly passed by the board of directors of Target approving this Agreement and the consummation of the transactions contemplated hereby;
 - (ii) certified copies of the minutes of the Target Meeting where the Target Resolution was approved by the Target Shareholders;
 - (iii) certified copies of Target's Constating Documents;
 - (iv) a certificate of good standing of Target and its material subsidiaries, including the Target Subsidiaries, dated within one day of the Effective Date;
 - (v) if applicable, duly executed investment agreements, including accredited investor certifications, for any shareholders of Target resident in the United States, in a form satisfactory to Shellco and its counsel, acting reasonably;
 - (vi) a certificate of Target addressed to Shellco and dated the Effective Date, signed on behalf of Target by two senior officers of Target, confirming that the conditions in Section 7.2(a), (e) and (f) have been satisfied;
- (c) at or prior to the Effective Date and effective upon completion of the Amalgamation, the Resulting Issuer and Target shall have executed and delivered releases to the resigning directors and officers of Shellco, in a form acceptable to such directors and officers;
 - (d) at or prior to the Effective Date, Target shall have reimbursed Shellco for all reasonable costs and expenses incurred by Shellco with respect to the transactions contemplated herein, in accordance with Section 10.7;
 - (e) no act, action, suit, proceeding, objection or opposition shall have been taken against or affecting Target or any Target Subsidiary before or by any domestic or foreign court, tribunal or Governmental Agency or other regulatory or administrative agency or commission by any elected or appointed public official or private Person in Canada or elsewhere, whether or not having the force of law and no law, regulation, policy, judgment, decision, order, ruling or directive (whether or not having the force of law) shall have been enacted, promulgated, amended or applied, which in the sole judgment of Shellco, acting reasonably, in either case has had or, if the Amalgamation was consummated, would result in a Material Adverse Change respecting Target taken as a whole or would materially impede the ability of the Parties to complete the Amalgamation;
 - (f) there shall not have occurred any Material Adverse Change of Target taken as a whole;
 - (g) all Parties required by the Exchange to escrow their Shellco Shares shall have entered into an escrow agreement upon the terms and conditions imposed pursuant to the policies of the Exchange;
 - (h) the Exchange escrow agreement shall be duly executed and delivered by all parties thereto;
 - (i) Shellco shall have received consents from the Target nominees to act as directors of Shellco with effect as of the Effective Date; and

- (j) the holders of the issued and outstanding Target Shares holding marketable title thereto, free and clear of any and all encumbrances, liens, charges and demands of whatsoever nature.

The conditions in this Section 7.2 are for the exclusive benefit of Shellco and may be asserted by Shellco regardless of the circumstances or may be waived by Shellco in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Shellco may have. If any of the foregoing conditions in this Section 7.2 are not satisfied or waived on or before the Effective Date then Shellco may terminate this Agreement by written notice to Target in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of Shellco's breach of this Agreement.

Additional Conditions to Obligations of Target

7.3 The obligations of Target to consummate the transactions contemplated hereby, and in particular to complete the Amalgamation, is subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

- (a) Shellco and SubCo shall have performed, satisfied and complied with all obligations, covenants and agreements to be performed and complied with by them on or before the Effective Date pursuant to the terms of this Agreement and that the representations and warranties of Shellco and SubCo made in this Agreement shall be true and correct in all material respects as at the Effective Date with the same force and effect as if such representations and warranties had been made on and as of such date;
- (b) the shares of Shellco to be issued to the Target Shareholders shall be issued as fully paid and non-assessable common shares in the capital of Shellco, free and clear of any and all encumbrances, liens, charges, demands of whatsoever nature, except those pursuant to any relevant Exchange policies or applicable securities laws;
- (c) between the date of this Agreement and the Effective Time, Shellco shall not have incurred or otherwise accepted liability for any contractual obligation, liability or expense out of the ordinary course of its business in excess of \$10,000, other than a contractual obligation, liability or expense of Shellco directly related to the Proposed Transaction;
- (d) Shellco shall have furnished Target with:
 - (i) certified copies of the resolutions duly passed by the boards of directors of Shellco and SubCo approving this Agreement and the consummation of the transactions contemplated hereby;
 - (ii) certified copies of the resolutions of Shellco, as the sole shareholder of SubCo, approving this Agreement and the consummation of the transactions contemplated hereby;
 - (iii) certified copies of Shellco and SubCo's Constatng Documents;
 - (iv) evidence that Shellco is a reporting issuer in the Province of British Columbia and Alberta and is not in default of any of the provisions therein;
 - (v) certificates of good standing of Shellco and SubCo dated within one day of the Effective Date; and

- (vi) a certificate of Shellco addressed to Target and dated the Effective Date, signed on behalf of Shellco by a senior officer of Shellco, confirming that the conditions in Section 7.3(a), (e), and (f) have been satisfied;
- (e) no act, action, suit, proceeding, objection or opposition shall have been taken against or affecting Shellco before or by any domestic or foreign court, tribunal or Governmental Agency or other regulatory or administrative agency or commission by any elected or appointed public official or private Person in Canada or elsewhere, whether or not having the force of law and no law, regulation, policy, judgment, decision, order, ruling or directive (whether or not having the force of law) shall have been enacted, promulgated, amended or applied, which in the sole judgment of Target, acting reasonably, in either case has had or, if the Amalgamation was consummated, would result in a Material Adverse Change respecting Shellco or would materially impede the ability of the Parties to complete the Amalgamation;
- (f) there shall not have occurred any Material Adverse Change of Shellco or SubCo; and
- (g) at the time of Closing, each of the current directors and officers of Shellco and SubCo as at the date hereof, shall have provided a resignation and mutual release in form and substance satisfactory to Target, acting reasonably, and Shellco shall have taken all necessary action to cause the board of directors and officers of Shellco post-Closing to be comprised of the directors and officers set forth in Section 2.10 and Section 2.11.

The conditions in this Section 7.3 are for the exclusive benefit of Target and may be asserted by Target regardless of the circumstances or may be waived by Target in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Target may have. If any of the foregoing conditions in this Section 7.3 are not satisfied or waived on or before the Effective Date then Target may terminate this Agreement by written notice to Shellco in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of Target's breach of this Agreement.

Notice and Effect of Failure to Comply with Conditions

7.4 Each of Shellco and Target shall give prompt notice to the other of the occurrence, or failure to occur, at any time from the date hereof to the Effective Date of any event or state of facts which occurrence or failure would, or would be likely to: (i) cause any of the representations or warranties of such Party contained herein to be untrue or inaccurate in any material respect; or (ii) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by any Party hereunder; provided, however, that no such notification will affect the representations or warranties of the Parties or the conditions to the obligations of the Parties hereunder.

Satisfaction of Conditions

7.5 The conditions set out in this Part 7 are conclusively deemed to have been satisfied, waived or released when, with the agreement of the Parties, the Articles of Amalgamation are filed under the OBCA to give effect to the Amalgamation.

PART 8
AMENDMENT

Amendment

8.1 This Agreement may at any time and from time to time on or before the Effective Date be amended by written agreement of the Parties hereto.

PART 9
TERMINATION

Termination

- 9.1 (a) This Agreement may be terminated at any time in each of the following circumstances:
- (i) by written agreement executed and delivered by Shellco, SubCo and Target;
 - (ii) by any Party if the Effective Date shall not have occurred by the Outside Date unless the failure to complete the Amalgamation by such date is the result, directly or indirectly, of a breach of this Agreement by the Party seeking to terminate the Agreement, in which case this Agreement shall not be terminated pursuant to this Section 9.1(b);
 - (iii) as set out in Sections 7.1, 7.2 and 7.3 of this Agreement; or
 - (iv) by a non-breaching Party, in the event of a material breach of a material representation, warranty or covenant contained herein which is not cured within 10 Business Days of a non-breaching Party providing written notice of the breach to the breaching Party.
- (b) If this Agreement is terminated in accordance with the foregoing provisions of this Section 9.1, this Agreement shall forthwith become void and no Party shall have any liability or further obligation to the other Parties hereunder except for each Party's obligations under Sections 10.8, 10.9, 10.10, 10.11 and 10.12 hereunder, which shall survive such termination, and provided that neither the termination of this Agreement nor anything contained in this Section 9.1 shall relieve any Party from any liability for any breach by it of this Agreement, including from any inaccuracy in any of its representations and warranties and any non-performance by it of its covenants made herein, prior to the date of such termination.

PART 10
GENERAL

Notices

10.1 All notices that may be or are required to be given pursuant to any provision of this Agreement are to be given or made in writing and served personally, delivered by courier or sent by electronic transmission:

- (a) in the case of Shellco or SubCo, to:

1169082 B.C. Ltd.
5728 East Boulevard
Vancouver, British Columbia V6M 4M4
Attention: Scott Munro
Email: [REDACTED]

with a copy to:

Cassels Brock & Blackwell LLP
Suite 2200, HSBC Building, 885 West Georgia St.
Vancouver, British Columbia V6C 3E8
Attention: John T. C. Christian
Email: [REDACTED]

- (b) in the case of Target, to:

Awakn Life Sciences Inc.
Suite 200, 366 Bay Street
Toronto, Ontario M5H 4B2
Attention: Jonathan Held
Email: [REDACTED]

with a copy to:

Irwin Lowy LLP
Suite 401, 217 Queen Street West
Toronto, Ontario M5V 0R2
Attention: Steven Agnew
Email: [REDACTED]

or such other address as the Parties may, from time to time, advise the other Parties hereto by notice in writing. The date or time of receipt of any such notice will be deemed to be the date of delivery or the time such facsimile or other electronic transmission is received.

Binding Effect

10.2 This Agreement shall be binding upon and enure to the benefit of the Parties hereto and their respective successors and permitted assigns.

Assignment

10.3 Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the Parties hereto without the prior written consent of the other Parties hereto.

Entire Agreement

10.4 This Agreement, together with the agreements and documents referred to herein, constitute the entire agreement among the Parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, among the Parties with

respect to the subject matter hereof, including the letter of intent dated March 3, 2021 between Shellco and Target.

Public Communications

10.5 Each of Shellco and Target agree to consult with each other prior to issuing any press releases or otherwise making public statements with respect to this Agreement or the Amalgamation or making any filing with any Governmental Authority with respect thereto. Without limiting the generality of the foregoing, no Party shall issue any press release regarding the Amalgamation, this Agreement or any transaction relating to this Agreement without first providing a draft of such press release to the other Party and reasonable opportunity for comment; provided, however, that the foregoing shall be subject to each Party's overriding obligation to make any such disclosure required in accordance with Applicable Laws. If such disclosure is required and the other Party has not reviewed or commented on the disclosure, the Party making such disclosure shall use all commercially reasonable efforts to give prior oral or written notice to the other Party, and if such prior notice is not possible, to give such notice promptly following such disclosure.

No Shop

10.6 Each of the Parties will not, nor will it permit any of its respective directors, officers, affiliates, employees, representatives or agents (including and without limitation, investment bankers, attorneys and accountants) take any direct or indirect action to: (a) knowingly solicit, initiate, encourage, engage in or respond to any inquiries, submissions, proposals or offers regarding any merger, amalgamation, share exchange, business combination, take-over bid, sale or other disposition of material assets, recapitalization, reorganization, liquidation, sale or issuance of a material number of treasury securities (except upon the due exercise of convertible or exchangeable securities outstanding on the date hereof) or rights or interests therein or thereto or rights or options to acquire any material number of treasury securities or any type of similar transaction involving it, other than with the other party (each, an "**Acquisition Proposal**"); (b) encourage or participate in any discussions or negotiations regarding any Acquisition Proposal; (c) agree to, approve or recommend an Acquisition Proposal; or (d) enter into any agreement related to an Acquisition Proposal; and for greater certainty, this Section 10.6 shall not apply to the Concurrent Financing or to any *bona fide* Acquisition Proposal made by a third party to Target and/or the Target Shareholders which did not arise from a breach of this Section 10.6 that Target's Board of Directors, in good faith and while exercising their fiduciary obligations, determines to reasonably result in a more favourable transaction, from a financial point of view, for Target and/or the Target Shareholders than what is contemplated in this Agreement.

Each Party represents and warrants to the other that it is not currently in any discussions or negotiations with any other Person with respect to any alternative transaction. Each Party will promptly notify the other Parties of any Acquisition Proposal of which any director, senior officer or agent of the Party is or becomes aware of, any amendment to any of the foregoing or any request for non-public information relating to the Party. Such notice will include a description of the material terms and conditions of any such proposal and the identity of the Person making such proposal, inquiry, request or contact.

Costs

10.7 Other than specifically set out in herein, Target shall be responsible for all reasonable costs and expenses incurred with respect to the transactions contemplated herein including, without limitation, all costs and charges of either party incurred prior to the date of this Agreement and all legal and accounting fees and disbursements of either party relating to the preparation of all documents relating to the Proposed Transaction. For the purposes of clarity, Target shall be responsible for paying the costs and fees payable

to the Exchange regarding their review of the Proposed Transaction and any other documentation to be submitted to the Exchange and Target shall be responsible for all fees incurred in connection with the Concurrent Financing, structuring the Proposed Transaction and tax advice, obtaining any shareholder or court approvals, business valuation or commercial valuation, sponsorship fees and all the listing fees incurred as a result of the Proposed Transaction.

Confidentiality

10.8 Each Party acknowledges that all information to be disclosed by the other Party in connection with the Proposed Transaction is highly sensitive, confidential and proprietary in nature. Except as and to the extent required by law, each Party and its affiliates and representatives (as applicable, the “**Receiving Party**”) shall not disclose or use, and it shall cause its affiliates and Representatives not to disclose or use, any Confidential Information (as defined below) with respect to the other Party, its affiliates or representatives (the “**Disclosing Party**”) furnished, or to be furnished, by the Disclosing Party to the Receiving Party in connection herewith at any time or in any manner, other than in connection with the evaluation of the Proposed Transaction and in accordance with this Agreement.

10.9 “**Confidential Information**” means all information of a Party that a prudent business person would deem to be of such sensitive nature that its unauthorized dissemination would cause material harm, including, without limitation: information concerning or relating to the Disclosing Party’s business, affairs, financial position, assets, operations, activities, prospects, trade secrets, technology, technical, information, marketing information and marketing plans and strategies, customer and prospective customer lists, records, and information, together with all compilations, notes, or other documents prepared by or for the Disclosing Party containing or based upon such information, but shall not include:

- (a) information, which is or becomes available to the public, other than as a result of disclosure by the Receiving Party;
- (b) information which the Receiving Party can prove was, at the time of disclosure, already in the possession of the Receiving Party on a non-confidential and lawful basis; or
- (c) has become available to the Receiving Party or its representatives on a non-confidential basis from a person who is not, to the knowledge of the Receiving Party or its representatives, otherwise bound by confidentiality obligations to the provider of such information or otherwise prohibited from transmitting the information to the Receiving Party or its representatives.

10.10 Except with the prior written consent of the Disclosing Party, each Receiving Party will hold all Confidential Information in strictest confidence, except such information and documents that are required to be disclosed by applicable law.

10.11 If this Agreement is terminated pursuant to Section 9.1: (a) each Receiving Party shall promptly upon request return to the Disclosing Party any Confidential Information in the Receiving Party’s possession; and (b) the terms of Sections 10.7, 10.9, 10.10, 10.11 and this Section 10.11 shall survive termination of this Agreement for a period of two years from the date this Agreement was terminated.

Severability

10.12 If any one or more of the provisions or parts thereof contained in this Agreement should be or become invalid, illegal or unenforceable in any respect, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be severable therefrom and the validity, legality or enforceability of such remaining provisions or parts thereof shall not in any way be affected or

impaired by the severance of the provisions or parts thereof severed. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

Further Assurances

10.13 Each Party hereto shall, from time to time and at all times hereafter, at the request of the other Parties hereto, but without further consideration, do all such further acts, and execute and deliver all such further documents and instruments and provide all such further assurances as may be reasonably required in order to fully perform and carry out the terms and intent hereof.

10.14 The Parties acknowledge that the Listing Application and the listing of the Shellco Shares will require the acceptance of the Exchange and the Parties intend, at the appropriate time, to use all reasonable commercial efforts to obtain such acceptance. Shellco and Target will fully cooperate in the compilation and drafting of the Listing Application, to be submitted by Shellco to the Exchange to list the Shellco Shares on the Exchange upon completion of the Proposed Transaction.

Time of Essence

10.15 Time shall be of the essence of this Agreement.

Applicable Law and Enforcement

10.16 This Agreement shall be governed, including as to validity, interpretation and effect, by the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Parties hereby irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario.

Waiver

10.17 Any Party may, on its own behalf only, (i) extend the time for the performance of any of the obligations or acts of the other Parties, (ii) waive compliance with the other Parties' agreements or the fulfillment of any conditions to its own obligations contained herein, or (iii) waive inaccuracies in the other Parties' representations or warranties contained herein or in any document delivered by the other Parties; provided, however, that any such extension or waiver shall be valid only if set forth in an instrument in writing and, unless otherwise provided in the written waiver, will be limited to the specific breach or condition waived.

Counterparts

10.18 This Agreement and any amendments thereto (and any other agreements, notices or documents contemplated thereby) may be executed and delivered by facsimile transmission or other form of electronic recorded transmission (including via electronic mail via the Internet) and in any number of counterparts and all such facsimile or other electronically transmitted copies and counterparts shall be deemed to be an original hereof and for all purposes constitute one agreement, be binding on the Parties, provided each Party has executed and delivered at least one counterpart to the other Parties, and each may be relied upon by each Party as such for any and all purposes.

[remainder of page intentionally left blank - signature page immediately follows]

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

1169082 B.C. LTD.

Per: “Scott Munro”
Scott Munro

2835517 ONTARIO LTD.

Per: “Scott Munro”
Scott Munro

AWAKN LIFE SCIENCES INC.

Per: “Anthony Tennyson”
Anthony Tennyson

EXHIBIT "A"

FORM OF ARTICLES OF AMALGAMATION

5. Method of amalgamation, check A or B
 Méthode choisie pour la fusion – Cocher A ou B :

A - Amalgamation Agreement / Convention de fusion :



The amalgamation agreement has been duly adopted by the shareholders of each of the amalgamating corporations as required by subsection 176 (4) of the *Business Corporations Act* on the date set out below.

Les actionnaires de chaque société qui fusionne ont dûment adopté la convention de fusion conformément au paragraphe 176(4) de la *Loi sur les sociétés par actions* à la date mentionnée ci-dessous.

or
ou

B - Amalgamation of a holding corporation and one or more of its subsidiaries or amalgamation of subsidiaries / Fusion d'une société mère avec une ou plusieurs de ses filiales ou fusion de filiales :



The amalgamation has been approved by the directors of each amalgamating corporation by a resolution as required by section 177 of the *Business Corporations Act* on the date set out below.

Les administrateurs de chaque société qui fusionne ont approuvé la fusion par voie de résolution conformément à l'article 177 de la *Loi sur les sociétés par actions* à la date mentionnée ci-dessous.

The articles of amalgamation in substance contain the provisions of the articles of incorporation of
 Les statuts de fusion reprennent essentiellement les dispositions des statuts constitutifs de

and are more particularly set out in these articles.
 et sont énoncés textuellement aux présents statuts.

Names of amalgamating corporations Dénomination sociale des sociétés qui fusionnent	Ontario Corporation Number Numéro de la société en Ontario	Date of Adoption/Approval Date d'adoption ou d'approbation		
		Year année	Month mois	Day jour
AWAKN LIFE SCIENCES INC.	002753457			
2835517 ONTARIO LTD.	002835517			

6. Restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise.
Limites, s'il y a lieu, imposées aux activités commerciales ou aux pouvoirs de la société.

There are no restrictions.

7. The classes and any maximum number of shares that the corporation is authorized to issue:
Catégories et nombre maximal, s'il y a lieu, d'actions que la société est autorisée à émettre :

The Company is authorized to issue an unlimited number of common shares.

8. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series:

Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions qui peut être émise en série :

The common shares shall have the following rights, privileges, restrictions and conditions:

(1) Each holder of common shares shall be entitled to receive notice of and to attend all meetings of shareholders of the Company, except meetings at which only holders of other classes or series of shares are entitled to attend, and at all such meetings shall be entitled to one vote in respect of each common share held by such holder.

(2) The holders of common shares shall be entitled to receive dividends if and when declared by the board of directors.

(3) In the event of any liquidation, dissolution or winding-up of the Company or other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs, the holders of common shares shall be entitled, subject to the rights of holders of shares of any class ranking prior to the common shares, to receive the remaining property or assets of the Company.

9. The issue, transfer or ownership of shares is/is not restricted and the restrictions (if any) are as follows:
L'émission, le transfert ou la propriété d'actions est/n'est pas restreint. Les restrictions, s'il y a lieu, sont les suivantes :

If the Company:

(a) is not a reporting issuer or investment fund within the meaning of applicable securities legislation; and

(b) has not distributed to the public (excluding accredited investors within the meaning of applicable securities legislation) any of its securities,

then no shares in the capital of the Company shall be transferred without either:

(i) the previous consent of the board of directors expressed by a resolution passed by the board of directors or by an instrument or instruments in writing signed by a majority of the directors; or

(ii) the previous consent of the holders of at least 51% of the shares of that class for the time being outstanding expressed by a resolution passed by the shareholders or by an instrument or instruments in writing signed by such shareholders.

10. Other provisions, (if any):
Autres dispositions, s'il y a lieu :

None.

11. The statements required by subsection 178(2) of the *Business Corporations Act* are attached as Schedule "A".
Les déclarations exigées aux termes du paragraphe 178(2) de la *Loi sur les sociétés par actions* constituent l'annexe A.

12. A copy of the amalgamation agreement or directors' resolutions (as the case may be) is/are attached as Schedule "B".
Une copie de la convention de fusion ou les résolutions des administrateurs (selon le cas) constitue(nt) l'annexe B.

These articles are signed in duplicate.
Les présents statuts sont signés en double exemplaire.

Name and **original signature** of a director or authorized signing officer of each of the amalgamating corporations. Include the name of each corporation, the signatories name and description of office (e.g. president, secretary). Only a **director or authorized signing officer can sign on behalf of the corporation.** / Nom et signature originale d'un administrateur ou d'un signataire autorisé de chaque société qui fusionne. Indiquer la dénomination sociale de chaque société, le nom du signataire et sa fonction (p. ex. : président, secrétaire). **Seul un administrateur ou un dirigeant habilité peut signer au nom de la société.**

2835517 ONTARIO LTD.

Names of Corporations / Dénomination sociale des sociétés

By / Par

J.Scott Munro

President

Signature / Signature

Print name of signatory /
Nom du signataire en lettres moulées

Description of Office / Fonction

AWAKN LIFE SCIENCES INC.

Names of Corporations / Dénomination sociale des sociétés

By / Par

Jonathan Held

Chief Financial Officer

Signature / Signature

Print name of signatory /
Nom du signataire en lettres moulées

Description of Office / Fonction

Names of Corporations / Dénomination sociale des sociétés

By / Par

Signature / Signature

Print name of signatory /
Nom du signataire en lettres moulées

Description of Office / Fonction

Names of Corporations / Dénomination sociale des sociétés

By / Par

Signature / Signature

Print name of signatory /
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