

## SHARE PURCHASE AGREEMENT

THIS SHARE PURCHASE AGREEMENT dated as of 23/10/2021

AMONG:

**SQID TECHNOLOGIES LIMITED**, a corporation organized under the laws of Australia (hereinafter referred to as the “**Purchaser**”)

-and-

**SIXFOLD GROUP PTY LIMITED**, a corporation organized under the laws of Australia (hereinafter referred to as “**Sixfold**”)

-and-

**SPI GLOBAL PTY LIMITED**, a corporation organized under the laws of Australia (hereinafter referred to as “**SPI**”)

-and-

**10 BARCLAY INVESTMENTS**, a corporation organized under the laws of Australia (hereinafter referred to as “**BARCLAY**”)

-and-

**A.C.N. 633 626 981**, a corporation organized under the laws of Australia (hereinafter referred to as “**633**”)

-and-

**THERESE-MARIE TAYLOR**, an individual resident in the State of New South Wales (hereinafter referred to as “**Therese-Marie**”)

-and-

**NICHOLAS BOBIR**, an individual resident in the State of Queensland (hereinafter referred to as “**Nicholas**”)

-and-

**NATHAN TAYLOR AND THERESE-MARIE TAYLOR**, individuals resident in the State of New South Wales (hereinafter referred to as “**the Taylors**”)

-and-

**MICHAEL STEWART**, an individual resident in the State of Victoria (hereinafter referred to as “**Michael**”)

-and-

**JOSHUA HARVEY**, an individual resident in the State of South Australia (hereinafter referred to as “**Joshua**” and collectively with Sixfold, SPI, Barclay, 633, Therese-Marie, Nicholas, the Taylors, and Michael as the “**Vendors**”)

-and-

**ICON ESPORTS PTY LTD.**, a corporation organized under the laws of Australia (hereinafter referred to as the “**Corporation**”)

**RECITALS:**

- A. The Vendors collectively own 2,150,000 issued and outstanding shares in the capital of the Corporation.
- B. The Vendors wish to sell and transfer to the Purchaser and the Purchaser wishes to purchase from the Vendors the Purchased Shares (as defined herein), such Purchased Shares which represent fifty percent (50%) of the issued and outstanding shares in the capital of the Corporation immediately prior to the Time of Closing, upon and subject to the terms and conditions set out herein.

**THIS AGREEMENT WITNESSES THAT** in consideration of the respective covenants, agreements, representations, warranties and indemnities of the Parties herein contained and for other good and valuable consideration (the receipt and sufficiency of which are acknowledged by each Party), the Parties agree as follows:

**ARTICLE 1  
INTERPRETATION**

**1.1 Defined Terms and Interpretation**

All defined terms and other interpretation provisions with respect to this Agreement are as set forth in **Schedule 1** to this Agreement.

**ARTICLE 2  
PURCHASE AND SALE OF PURCHASED SHARES**

**2.1 Agreement to Purchase and Sell**

Subject to the provisions of this Agreement, the Vendors agree to sell, assign and transfer to the Purchaser and the Purchaser agrees to purchase from the Vendors, effective as of the Closing Date and free and clear of all Encumbrances, all title and interest in and to the Purchased Shares, which represent fifty percent (50%) of the issued and outstanding shares in the capital of the Corporation.

**ARTICLE 3  
PURCHASE PRICE**

**3.1 Purchase Price and Purchase Price Allocation**

- (a) The aggregate purchase price of \$999,999.90 (the “**Purchase Price**”) shall be payable by the Purchaser to the Vendors, subject to the provisions of Section 3.3 below, and shall be satisfied by the issuance of \$999,999.90 worth of Ordinary Shares in the capital of the Purchaser (the “**Consideration Shares**”) at \$0.30 per Ordinary Share (registered in such manner as the Vendors shall direct the Purchaser).

- (b) The Purchase Price shall be allocated to each of the Vendors *pro rata* their percentage holdings in the Purchased Shares as set forth in **Schedule 2**, provided that the Purchaser may withhold any amounts as it is required to withhold pursuant to the Tax Act and all applicable law.

### **3.2 Retention of Assets**

Subject to the terms of this Agreement, all of the assets of the Corporation at the Closing Date of any kind whatsoever and wherever situate (the “**Assets**”) shall remain the property of the Corporation and shall not be reduced or increased outside of the ordinary course of the Business of the Corporation prior to the Time of Closing, unless otherwise agreed upon by the Parties in writing.

### **3.3 Satisfaction of Purchase Price**

The Purchaser shall pay and satisfy the Purchase Price by the delivery by the Purchaser to the Vendors on or prior to the Time of Closing, of the certificates representing the Consideration Shares, free and clear of all Encumbrances, in the aggregate amount of the Purchase Price in accordance with Section 3.1(b).

## **ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF THE VENDORS**

Each of the Vendors, jointly and severally, represent and warrant to the Purchaser (except as set forth on the Disclosure Schedule attached as **Schedule 3** to this Agreement, which exceptions shall be deemed to be part of the representations and warranties made hereunder) as follows, as of the date hereof and as of the Time of Closing, and acknowledge that the Purchaser is relying on such representations and warranties in entering into this Agreement and that the Purchaser would not purchase the Purchased Shares without these representations and warranties. For purposes of these representations and warranties (other than those in Sections 4.2, 4.3 and 4.4), the term “**Corporation**” shall include any subsidiaries of the Corporation, unless otherwise noted herein:

### **4.1 Organization, Good Standing, Corporate Power and Qualification**

- (a) The Corporation is a corporation duly incorporated, existing and in good standing under Australian law and has all requisite corporate power and authority to carry on its Business as presently conducted and as proposed to be conducted. The Corporation is duly qualified to transact Business and is in good standing in each jurisdiction in which the failure to so qualify would have a Material Adverse Effect.
- (b) The Corporation is not registered to carry on Business outside Australia.
- (c) The Corporation does not own property or assets in, or conducts any Business in, any place other than Australia.
- (d) The Corporation has not granted any power of attorney.
- (e) The Corporation is not the trustee of any trust.
- (f) The Corporation is not nor has been nor agreed to become a member of any partnership, joint venture, consortium or other unincorporated association.
- (g) There is no authority (such as a power of attorney) given by the Corporation which will continue after Closing and which could authorise any person to deal with its Business or any of the Assets.

- (h) No Insolvency Event has occurred in relation to the Corporation or any Affiliate of the Corporation.
- (i) The Corporation is able to pay its debts as and when they fall due.
- (j) Execution of this Agreement, or Closing or any other transaction contemplated by this Agreement will be or become a transaction which is voidable under part 5 7B of the Corporations Act.
- (k) There is no circumstance which could make this Agreement or any transaction contemplated by it void, voidable or unenforceable under any applicable insolvency law.

## 4.2 Capitalization

- (a) The issued capital of the Corporation consists, immediately prior to Closing, of 4,300,000 Ordinary Shares. Section 4.2(a) of the Disclosure Schedule sets forth the names of the Persons who are the registered and beneficial owners of any Ordinary Shares and the number of Ordinary Shares held or owned, as the case may be, by such Person. All of the Ordinary Shares indicated in Section 4.2(a) of the Disclosure Schedule are the only issued and outstanding shares of the Corporation. All of the outstanding Ordinary Shares have been duly authorized, are fully paid and non-assessable, were issued in compliance with all Applicable Law and such Ordinary Shares are free and clear of all liens or encumbrances. There are no shareholders agreements, voting trusts, pooling agreements or other agreements, arrangements or understandings in respect of the voting of any of the Ordinary Shares.
- (b) The Corporation has adopted a stock option plan effective as of 31 March 2021 pursuant to which the Corporation may grant options exercisable into Ordinary Shares in the amount of up to 10% of the total number of shares outstanding at any time to officers, directors, employees and consultants of the Corporation (the “**Stock Option Plan**”). As of the date of this Agreement, there are presently no outstanding options to purchase Ordinary Shares in the Corporation.
- (c) Section 4.2(c) of the Disclosure Schedule sets forth the capitalization of the Corporation immediately following Closing, including the following: issued and outstanding Ordinary Shares; granted options, including vesting schedule and exercise price; Ordinary Shares reserved for future award grants under the Stock Option Plan; each other class and series of shares; and warrants or share purchase rights. Except for the securities and rights described in Section 4.2(a) of this Agreement and Section 4.2(a) of the Disclosure Schedule, there are no outstanding options, warrants, rights (including conversion or pre-emptive rights and rights of first refusal or similar rights) or agreements, orally or in writing, to purchase or acquire from the Corporation any Ordinary Shares or any securities convertible into or exchangeable for Ordinary Shares or any other equity securities in the Corporation.
- (d) Except as set forth on Section 4.2(d) of the Disclosure Schedule, none of the Corporation’s option documents contain a provision for acceleration of vesting (or lapse of a repurchase right) or other changes in the vesting provisions or other terms of such agreement or understanding upon the occurrence of any event or combination of events, including without limitation in the case where the Stock Option Plan is not assumed in an acquisition. The Corporation has never adjusted or amended the exercise price of any options previously awarded, whether through amendment, cancellation, replacement grant, repricing, or any other means. The Corporation has no obligation (contingent or otherwise) to purchase or redeem any of the Ordinary Shares or other equity securities in its capital.

- (e) The Corporation has obtained valid waivers of any rights granted to other parties which may entitle such parties to purchase any of the Purchased Shares covered by this Agreement.

#### **4.3 Subsidiaries**

The Corporation has two wholly owned subsidiaries, The Chiefs Esports Pty Ltd and Tainted Minds Esports Pty Ltd. Other than The Chiefs Esports Pty Ltd and Tainted Minds Esports Pty Ltd., the Corporation does not have any additional subsidiaries or affiliated companies and does not otherwise own and has never otherwise owned any securities in the capital of or any interest in, or control, directly or indirectly, any Person. The Corporation is not a participant in any joint venture, partnership or similar agreement.

#### **4.4 Authorization**

- (a) Each Vendor has all necessary power and authority to sell the Purchased Shares, to enter into this Agreement and the Closing Documents to which it is a party and to perform its obligations hereunder and thereunder. All necessary action has been taken by each of the Vendors on its part to authorize its execution and delivery of this Agreement and the Closing Documents to which it is a party and the performance of its obligations hereunder and thereunder. This Agreement has been, and each Closing Document to which each Vendor is a party shall on Closing be, duly executed and delivered by each Vendor, and is, or shall on Closing be, a legal, valid and binding obligation of such Vendor enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.
- (b) All corporate action required to be taken by the Board and shareholders in order to authorize the Corporation to: enter into this Agreement and execute the actions contemplated therein has been taken or will be taken prior to Closing. All action on the part of the officers of the Corporation necessary for the authorization, execution and delivery of this Agreement, and the performance of all obligations of the Corporation under this Agreement to be performed as of the Closing has been taken or will be taken prior to the Closing. This Agreement, when executed and delivered by the Corporation, shall constitute a valid and legally binding obligation of the Corporation, enforceable against the Corporation in accordance with its terms except as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, or other laws of general application relating to or affecting the enforcement of creditors' rights generally, or as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

#### **4.5 Ownership of Vendors' Shares**

Each Vendor is the registered and beneficial owner of its Purchased Shares, with good and marketable title thereto, free and clear of all Encumbrances, and has the exclusive right to dispose of its Purchased Shares as provided in this Agreement. None of the Purchased Shares is subject to: (a) any Contract or restriction which in any way limits or restricts the transfer to the Purchaser of its Purchased Shares other than the transfer restrictions in the Corporation's articles, and (b) any voting trust, pooling agreement, shareholder agreement, voting agreement or other Contract, arrangement or understanding with respect to the voting of its Purchased Shares (or any of them). At or prior to the Closing, all those restrictions shall have been complied with or terminated and evidence of that compliance or termination in form and substance satisfactory to the Purchaser shall have been provided to the Purchaser. On completion of the transactions contemplated herein, no Vendor shall have any ownership interest in the Corporation, whether direct or indirect, actual or contingent, and the Purchaser shall have good title to its Purchased Shares, free and clear of all Encumbrances.

#### **4.6 Governmental Consents and Filings**

Assuming the accuracy of the representations made by the Purchaser in Article 5 of this Agreement, no consent, approval, Order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state, provincial or local Governmental Authority is required on the part of the Corporation in connection with the valid execution, delivery and performance of this Agreement and the consummation of the transactions contemplated by this Agreement, except for filings pursuant to Applicable Law.

#### **4.7 Litigation**

Except as set forth in Section 4.7 of the Disclosure Schedule:

- (a) there is no Claim, action, suit, Proceeding, arbitration, complaint, charge or investigation pending or to the Corporation's knowledge, currently threatened (i) against the Corporation or any officer, or director of the Corporation arising out of their employment, board relationship or affiliation with the Corporation; (ii) to the Corporation's knowledge, that questions the validity of this Agreement or the right of the Corporation to enter into this Agreement, or to consummate the transactions contemplated by this Agreement; or (iii) to the Corporation's knowledge, that would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect;
- (b) neither the Corporation nor, to the Corporation's knowledge, any of its officers, directors or Employees is a party or is named as subject to the provisions of any Order, writ, injunction, judgment or decree of any court or government agency or instrumentality (in the case of officers, directors or Employees, such as would affect the Corporation); or
- (c) there is no action, suit, Proceeding or investigation by the Corporation pending or which the Corporation intends to initiate.

The foregoing includes, without limitation, actions, suits, Proceedings or investigations pending or threatened in writing (or any basis therefor known to the Corporation) involving the prior employment of any of the Corporation's employees, their services provided in connection with the Corporation's Business, any information or techniques allegedly proprietary to any of their former employers or their obligations under any agreements with prior employers.

#### **4.8 Intellectual Property**

Except as set forth in Section 4.8 of the Disclosure Schedule:

- (a) no product or service marketed or sold (or proposed to be marketed or sold) by the Corporation violates or will violate any license or infringes or will infringe any intellectual property rights of any other party;
- (b) other than with respect to commercially available software products under standard end-user object code license agreements, there are no outstanding options, licenses, agreements, Claims, encumbrances or shared ownership interests of any kind relating to the Corporation Intellectual Property, nor is the Corporation bound by or a party to any options, licenses or agreements of any kind with respect to the patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses, information, proprietary rights and processes of any other Person;
- (c) the Corporation Intellectual Property comprises all of the Intellectual Property required for the operation of the Corporation's Business;

- (d) all registrable Intellectual Property has been registered in the name of the Corporation and the Corporation has taken or caused to be taken all necessary steps to protect and defend the Intellectual Property including the timely renewal of all Intellectual Property;
- (e) the Corporation has not received any communications alleging that the Corporation has violated, or by conducting its Business, would violate any of the patents, trademarks, service marks, tradenames, domain names, copyrights, trade secrets, mask works or other proprietary rights or processes of any other Person;
- (f) the Corporation has obtained and possesses valid licenses to use all of the software programs present on the computers and other software-enabled electronic devices that it owns or leases or that it has otherwise provided to its employees for their use in connection with the Corporation's Business;
- (g) to the Corporation's knowledge, it will not be necessary to use any inventions of any of its employees or consultants (or Persons it currently intends to hire) made prior to their employment by the Corporation, including prior employees or consultants, with which any of them may be affiliated now or may have been affiliated in the past; and
- (h) each employee and consultant has assigned to the Corporation all intellectual property rights he or she owns that are related to the Corporation's Business as now conducted and as presently proposed to be conducted and all intellectual property rights that he, she or it solely or jointly conceived, reduced to practice, developed or made during the period of his, her or its employment or consulting relationship with the Corporation that (a) relate, at the time of conception, reduction to practice, development, or making of such intellectual property right, to the Corporation's Business as then conducted or as then proposed to be conducted, (b) were developed on any amount of the Corporation's time or with the use of any of the Corporation's equipment, supplies, facilities or information or (c) resulted from the performance of services for the Corporation.

Section 4.8 of the Disclosure Schedule lists all patents, patent applications, trademarks, trademark applications, service marks, service mark applications, tradenames, copyrights, and licenses to and under any of the foregoing, in each case owned by or licenced to the Corporation. For purposes of this Section 4.8, the Corporation is deemed to have knowledge of a patent right if the Corporation has actual knowledge of the patent right or would be found to be on notice of such patent right as determined by the Australian Patent Office. No government funding, facilities of a university, college, other educational institution or research center, or funding from third parties was used in the development of any Corporation Intellectual Property. No Person who was involved in, or who contributed to, the creation or development of any Corporation Intellectual Property, has performed services for the government, university, college, or other educational institution or research center in a manner that would affect Corporation's rights in the Corporation Intellectual Property.

#### **4.9 Compliance with Other Instruments**

The Corporation is not in violation or default of any provisions of its Constatng Documents, of any instrument, judgment, Order, writ or decree, under any note, indenture or mortgage, under any lease, agreement, Contract or purchase order to which it is a party or by which it is bound that is required to be listed on the Disclosure Schedule, or, of any provision of any statute, rule or regulation applicable to the Corporation, the violation of which would have a Material Adverse Effect. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated by this Agreement will not result in any such violation or be in conflict with or constitute, with or without the passage of time and giving of notice, either a default under any such provision, instrument, judgment, Order, writ, decree, Contract or agreement or an event that results in the creation of any lien, charge or encumbrance upon any Assets or the suspension, revocation, forfeiture, or nonrenewal of any material Permit or license applicable to the Corporation.

#### **4.10 Agreements; Actions**

- (a) Except as set forth in Section 4.10(a) of the Disclosure Schedules, there are no agreements, understandings, instruments, Contracts or proposed transactions to which the Corporation is a party or by which it is bound that involve (i) obligations (contingent or otherwise) of, or payments to, the Corporation in excess of \$50,000, (ii) the license of any patent, copyright, trademark, trade secret or other proprietary right to or from the Corporation, (iii) the grant of rights to manufacture, produce, assemble, license, market, or sell its products to any other Person that limit the Corporation's exclusive right to develop, manufacture, assemble, distribute, market or sell its products, or (iv) indemnification by the Corporation with respect to infringements of proprietary rights.
- (b) Except as set forth in 5.10(b) of the Disclosure Schedules, the Corporation has not (i) declared or paid any dividends, or authorized or made any distribution upon or with respect to any class or series of its share capital, (ii) incurred any indebtedness for money borrowed or incurred any other liabilities individually in excess of \$20,000 or in excess of \$75,000 in the aggregate, other than trade payables or project deposits in the Ordinary Course of Business, (iii) made any loans or advances to any Person, other than ordinary advances for travel expenses, or (iv) sold, exchanged or otherwise disposed of any of its assets or rights, other than the sale of its inventory in the Ordinary Course of Business. For the purposes of (a) and (b) of this Section 4.10, all indebtedness, liabilities, agreements, understandings, instruments, Contracts and proposed transactions involving the same Person (including Persons the Corporation has reason to believe are affiliated with each other) shall be aggregated for the purpose of meeting the individual minimum dollar amounts of such subsection.
- (c) The Corporation is not a guarantor or indemnitor of any indebtedness of any other Person.

#### **4.11 No Default Under Contracts**

The Corporation has performed all of the obligations required to be performed by it and is entitled to all benefits under, and is not in default or alleged to be in default in respect of, any contract, agreement, understanding or instrument relating to the Corporation's Business, its Assets or any Employee Plans (including the Contracts referred to in any Disclosure Schedule to this Agreement), to which it is a party or by which it is bound or affected. All such Contracts, agreements, understandings or instruments are in good standing and in full force and effect, and no event, condition or occurrence exists that, after notice or lapse of time or both, would constitute a default under any such Contract, agreement, understanding or instrument. There is no dispute between the Corporation and any other party under any such Contract, agreement, understanding or instrument. Except as disclosed in the Disclosure Schedules to this Agreement, none of those Contracts, agreements, understandings or instruments contain terms under which the execution or performance of this Agreement would give any other contracting party the right to terminate or adversely change the terms of that Contract, agreement, understanding or instrument or would otherwise require the consent of any other Person. None of those Contracts, agreements, understandings or instruments have been assigned, or if applicable subleased, in whole or in part.

#### **4.12 Certain Transactions**

- (a) Other than (i) standard employee benefits generally made available to all employees, (ii) standard director and officer indemnification agreements approved by the Board, and (iii) the purchase of Ordinary Shares of the Corporation's share capital and the issuance of options to purchase Ordinary Shares, in each instance, approved in the written minutes of the Board (previously provided to the Purchaser or their counsel), there are no agreements, understandings or proposed transactions between the Corporation and any of its officers, directors, consultants or Employees, or any Affiliate thereof.



- (b) Except as set out in Section 4.12(b) of the Disclosure Schedules, the Corporation is not indebted, directly or indirectly, to any of its directors, officers or employees or to their respective spouses or children or to any Affiliate of any of the foregoing, other than in connection with expenses or advances of expenses incurred in the Ordinary Course of Business or employee relocation expenses and for other customary employee benefits made generally available to all employees. None of the Corporation's directors, officers or Employees, or any members of their immediate families, or any Affiliate of the foregoing are, directly or indirectly, indebted to the Corporation to the Corporation's knowledge, have any (i) material commercial, industrial, banking, consulting, legal, accounting, charitable or familial relationship with any of the Corporation's customers, suppliers, service providers, joint venture partners, licensees and competitors, (ii) direct or indirect ownership interest in any firm or corporation with which the Corporation is affiliated or with which the Corporation has a business relationship, or any firm or corporation which competes with the Corporation except that directors, officers, employees or shareholders of the Corporation may own shares in (but not exceeding two percent of the outstanding capital stock of) publicly traded companies that may compete with the Corporation; or (iii) financial interest in any material Contract with the Corporation.

#### **4.13 Property**

Except as set forth in Section 4.13 of the Disclosure Schedules, the property and Assets that the Corporation owns are free and clear of all mortgages, hypothecs, deeds of trust, liens, loans, encumbrances and Security Interests, except for statutory liens for the payment of current Taxes that are not yet delinquent and encumbrances, Security Interests and liens that arise in the Ordinary Course of Business and do not materially impair the Corporation's ownership or use of such property or Assets. With respect to the property and assets it leases, the Corporation is in compliance with such leases and, holds a valid leasehold interest free of any liens, Claims or encumbrances other than those of the lessors of such property or assets. The Corporation does not own any real or immovable property.

#### **4.14 Financial Statements**

The Corporation has delivered to the Purchaser its audited financial statements for the fiscal year ended 30 June 2021 (the "**Financial Statements**"). The Financial Statements include disclosures that would feature in general purpose accounts, with this approach applied on a consistent basis throughout the periods indicated. The Financial Statements fairly present in all material respects the financial condition and operating results of the Corporation as of the dates, and for the periods, indicated therein, subject in the case of any unaudited financial statements provided to normal year-end audit adjustments. Except as set forth in the Financial Statements, the Corporation has no material liabilities or obligations, contingent or otherwise, other than liabilities incurred in the Ordinary Course of Business; obligations under Contracts and commitments incurred in the Ordinary Course of Business; and liabilities and obligations of a type or nature not required under AASB to be reflected in the Financial Statements, which, in all such cases, individually and in the aggregate would not have a Material Adverse Effect. The Corporation maintains and will continue to maintain a standard system of accounting.

#### **4.15 Changes**

Since 30 June 2021, there has not been:

- (a) any change in the assets, liabilities, financial condition or operating results of the Corporation from that reflected in the Financial Statements, except changes in the Ordinary Course of Business that have not caused, in the aggregate, a Material Adverse Effect;
- (b) any damage, destruction or loss, whether or not covered by insurance, that would have a Material Adverse Effect;

- (c) any waiver or compromise by the Corporation of a valuable right or of a material debt owed to it;
- (d) any satisfaction or discharge of any lien, Claim, encumbrance, Security Interest or payment of any obligation by the Corporation, except in the Ordinary Course of Business and the satisfaction or discharge of which would not have a Material Adverse Effect;
- (e) any material change to a material Contract or agreement by which the Corporation or any of its Assets is bound or subject;
- (f) any material change in any compensation arrangement or agreement with any employee, officer, director or shareholder;
- (g) any resignation or termination of employment of any officer of the Corporation;
- (h) any mortgage, pledge, transfer of a security interest in, or lien, created by the Corporation, with respect to any of its material properties or Assets, except liens for Taxes not yet due or payable and liens that arise in the Ordinary Course of Business and do not materially impair the Corporation's ownership or use of such property or Assets;
- (i) any loans or guarantees made by the Corporation to or for the benefit of its employees, officers or directors, or any members of their immediate families, other than travel advances and other advances made in the Ordinary Course of its Business;
- (j) any declaration, setting aside or payment or other distribution in respect of any shares in the capital of the Corporation, or any direct or indirect redemption, purchase, or other acquisition of any of such shares by the Corporation;
- (k) any sale, assignment or transfer of any Corporation Intellectual Property that could reasonably be expected to result in a Material Adverse Effect;
- (l) receipt of notice that there has been a loss of, or material order cancellation by, any major customer of or supplier to the Corporation;
- (m) to the Corporation's knowledge, any other event or condition of any character, other than events affecting the economy or the Corporation's industry generally, that could reasonably be expected to result in a Material Adverse Effect; or
- (n) any arrangement or commitment by the Corporation to do any of the things described in this Section 4.15.

#### **4.16 Employee Matters**

- (a) As of the date hereof, the Corporation employs 4 full-time Employees, 2 part-time Employees, 2 teams, and engages various consultants or independent contractors.
- (b) To the Corporation's knowledge, none of its Employees is obligated under any contract (including licenses, covenants or commitments of any nature) or other agreement, or subject to any judgment, decree or Order of any court or administrative agency, that would materially interfere with such Employee's ability to promote the interest of the Corporation or that would conflict with the Corporation's Business. Neither the execution or delivery of this Agreement, nor the carrying on of the Corporation's Business by the employees of the Corporation, nor the conduct of the Corporation's Business as now conducted and as presently proposed to be

conducted, will, to the Corporation's knowledge, conflict with or result in a breach of the terms, conditions, or provisions of, or constitute a default under, any contract, covenant or instrument under which any such employee is now obligated.

- (c) The Corporation is not delinquent in payments to any of its employees, consultants, or independent contractors for any wages, salaries, commissions, bonuses, or other direct compensation for any service performed for it to this date or amounts required to be reimbursed to such employees, consultants or independent contractors. The Corporation has complied in all material respects with all applicable Australian human rights and employment equity laws and with other laws related to employment, including those related to wages, hours, worker classification and collective bargaining and superannuation. The Corporation has withheld and paid to the appropriate governmental entity or is holding for payment not yet due to such governmental entity all amounts required to be withheld from employees of the Corporation and is not liable for any arrears of wages, Taxes, superannuation, penalties or other sums for failure to comply with any of the foregoing.
- (d) The employment of each Employee of the Corporation is terminable by the Corporation in accordance with Applicable Law. Except as set forth in Section 4.16(d) of the Disclosure Schedule or as required by law, upon termination of the employment of any such Employees, no severance or other payments will become due. Except as set forth in Section 4.16(d) of the Disclosure Schedule, the Corporation has no policy, practice, plan or program of paying severance pay or any form of severance compensation in connection with the termination of employment services.
- (e) Except as set forth in Section 4.16 of the Disclosure Schedule, the Corporation has not made any representations regarding equity incentives to any officer, employee, director or consultant
- (f) Section 4.16(f) of the Disclosure Schedule sets forth each superannuation or employee benefit plan maintained, established or sponsored by the Corporation, or which the Corporation participates in or contributes to. The Corporation has made all required contributions and has no liability to any such employee benefit plan or in respect of superannuation and has complied in all material respects with all applicable laws for any such employee benefit plan and superannuation.
- (g) The Corporation is not bound by or subject to (and none of its Assets or properties is bound by or subject to) any written or oral, express or implied, Contract, commitment or arrangement with any labour union, and no labour union has requested or, to the knowledge of the Corporation, has sought to represent any of the employees, Representatives or agents of the Corporation. There is no strike or other labour dispute involving the Corporation pending, or to the Corporation's knowledge, threatened, that could have a Material Adverse Effect, nor is the Corporation aware of any labour organization activity involving its employees.
- (h) Except as set forth in Section 4.16(h) of the Disclosure Schedules, to the Corporation's knowledge, none of the Employees or directors of the Corporation has been (i) subject to voluntary or involuntary petition under the Australian bankruptcy laws or any provincial insolvency law or the appointment of a receiver, fiscal agent or similar officer by a court for his business or property; (ii) convicted in a criminal Proceeding or named as a subject of a pending criminal Proceeding (excluding traffic violations and other minor offenses); (iii) subject to any Order, judgment or decree (not subsequently reversed, suspended, or vacated) of any court of competent jurisdiction permanently or temporarily enjoining him from engaging, or otherwise imposing limits or conditions on his engagement in any securities, investment advisory, banking, insurance, or other type of business or acting as an officer or director of a public Corporation; or (iv) found by a court of competent jurisdiction in a civil action or by a

securities regulator to have violated any securities laws, commodities, or unfair trade practices law, which such judgment or finding has not been subsequently reversed, suspended, or vacated.

#### **4.17 Tax Returns and Payments**

- (a) Other than as disclosed by the Corporation, there are no federal, provincial, state, county, local or foreign Taxes, including Taxes the Corporation is required by Applicable Law to deduct, withhold or collect, due and payable by the Corporation that have not been timely paid or deducted, withheld, collected and remitted to the appropriate Governmental Authority. There are no accrued and unpaid federal, provincial, state, county, local or foreign Taxes of the Corporation, including Taxes the Corporation is required by Applicable Law to deduct, withhold or collect, that are due, whether or not assessed or disputed. There have been no examinations or audits of any Tax Returns or reports by any applicable federal, provincial, state, local or foreign governmental agency. The Corporation has duly and timely collected all amounts on account of any sales or transfer taxes, including goods and services, harmonized sales and provincial or territorial sales taxes, required by law to be collected by it and has duly and timely remitted to the appropriate Governmental Authority any such amounts required by law to be remitted by it. The Corporation has duly and timely filed all federal, provincial, state, county, local and foreign Tax Returns required to have been filed by it and there are in effect no waivers of applicable limitation periods with respect to Taxes for any year. The Corporation has complied with all applicable transfer pricing (or similar) laws and regulations.
- (b) The Corporation has not requested, offered to enter into or entered into any agreement or other arrangement, or executed any waiver, providing for any extension of time within which (i) to file any Tax Return covering any Taxes for which the Corporation is or may be liable; (ii) to file any elections, designations or similar filings relating to Taxes for which the Corporation is or may be liable; (iii) the Corporation is required to pay or remit any Taxes or amounts on account of Taxes; or (iv) any Governmental Authority may assess or collect Taxes for which the Corporation is or may be liable.

#### **4.18 Insurance**

The Corporation has in full force and effect insurance policies concerning such casualties as would be reasonable and customary for companies like the Corporation with extended coverage, sufficient in amount (subject to reasonable deductions) to allow it to replace any of its properties that might be damaged or destroyed.

#### **4.19 Employee Agreements**

Each current and former employee, consultant and officer of the Corporation has executed an agreement with the Corporation regarding confidentiality and proprietary information substantially in the form or forms delivered to the counsel for the Purchaser (the “**Confidential Information Agreements**”). No current or former employee, consultant and officer has excluded works or inventions from his or her assignment of inventions pursuant to such employee, consultant and officer’s Confidential Information Agreement. The Corporation is not aware that any of its current or former employees, consultants and officers is in violation of any agreement covered by this Section 4.19.

#### **4.20 Permits**

The Corporation has all franchises, Permits, licenses and any similar authority necessary for the conduct of its Business, the lack of which could reasonably be expected to have a Material Adverse Effect. The Corporation is not in default in any material respect under any of such franchises, Permits, licenses or other similar authority.

#### 4.21 Corporate Documents

The Constatng Documents of the Corporation are in the form provided to the Purchaser. The copy of the minute books of the Corporation provided or made available to the Purchaser contains minutes of all meetings of directors and shareholders and all written resolutions of the directors and shareholders since the date of incorporation and accurately reflects in all material respects all actions by the directors (and any committee of directors) and shareholders with respect to all transactions referred to in such minutes or written resolutions.

#### 4.22 Environmental and Safety Laws

Except as could not reasonably be expected to have a Material Adverse Effect to the best of its knowledge (a) the Corporation is and has been in compliance with all Environmental Laws; (b) there has been no release or to the Corporation's knowledge threatened release of any pollutant, contaminant or toxic or hazardous material, substance or waste or petroleum or any fraction thereof (each a "**Hazardous Substance**"), on, upon, into or from any site currently or heretofore owned, leased or otherwise used by the Corporation; (c) there have been no Hazardous Substances generated by the Corporation that have been disposed of or come to rest at any site not in conformity with Environmental Laws; and (d) there are no underground storage tanks located on, no polychlorinated biphenyls ("**PCBs**") or PCB-containing equipment used or stored on, and no Hazardous Substance stored on, any site owned or operated by the Corporation, except for the storage of hazardous waste in compliance with Environmental Laws. The Corporation has made available to the Purchasers true and complete copies of all material environmental records, reports, notifications, certificates of authorization, Permits, pending Permit applications, correspondence, engineering studies and environmental studies or assessments.

For purposes of this Section 4.22, "**Environmental Laws**" means any law, regulation, or other applicable requirement relating to (a) releases or threatened release of Hazardous Substance; (b) pollution or protection of employee health or safety, public health or the environment; or (c) the manufacture, handling, transport, use, treatment, storage, or Disposal of Hazardous Substances.

#### 4.23 Corruption of Foreign Public Officials Act

Neither the Corporation nor to the knowledge of any of the Corporation's directors, officers, employees or agents have, violated or are in violation of, or directly or indirectly, made, offered, promised or authorized any payment or gift of any money or anything of value to or for the benefit of any "**public official**" (as defined in the Criminal Code Act 1995 (Cth)) (collectively, the "**ACC**"), foreign political party or official thereof or candidate for foreign political office for the purpose of influencing any official act or decision of such official, party or candidate, inducing such official, party or candidate to use his, her or its influence to affect any act or decision of a foreign Governmental Authority, or securing any improper advantage, in each case, in order to assist the Corporation or any of its Affiliates in obtaining or retaining business for or with, or directing business to, any person. Neither the Corporation nor any of its directors, officers, employees or agents have made or authorized any bribe, rebate, payoff, influence payment, kickback or other unlawful payment of funds or received or retained any funds in violation of any law, rule or regulation. The Corporation further represents that it has maintained, and has caused each of its subsidiaries to maintain, systems of internal controls (including accounting systems, purchasing systems and billing systems) to ensure compliance with the ACC or any other applicable anti-bribery or anti-corruption law. Neither the Corporation, or, to the Corporation's knowledge, any of its officers, directors or employees are the subject of any allegation, voluntary disclosure, investigation, prosecution or other enforcement action related to the ACC or any other anti-corruption law.

#### 4.24 Data Privacy

In connection with its collection, storage, transfer (including, without limitation, any transfer across national borders) and/or use of any personally identifiable information from any individuals, including, without limitation, any customers, prospective customers, employees and/or other third parties (collectively "**Personal**

**Information**”), the Corporation is and has been in compliance with all Applicable Law in all relevant jurisdictions, the Corporation’s privacy policies and the requirements of any contract or codes of conduct to which the Corporation is a party. The Corporation has commercially reasonable physical, technical, organizational and administrative security measures and policies in place to protect all Personal Information collected by it or on its behalf from and against unauthorized access, use and/or disclosure. The Corporation is and has been in compliance in all material respects with all laws relating to data loss, theft and breach of security notification obligations.

#### **4.25 Directors’ Loans**

The Corporation hereby represents and warrants that the Directors’ Loans as set out in Section 4.25 of the Disclosure Schedule attached hereto are the only loans of the Corporation outstanding payable to directors of the Corporation.

#### **4.26 Consolidation**

The Corporation hereby represents and warrants that all entities, Assets and Contracts have been consolidated under the Corporation.

#### **4.27 No Other Agreements to Purchase**

No Person other than the Purchaser has any Contract, commitment or arrangement of any character capable of becoming any of the foregoing (whether legal, equitable, contractual or otherwise) for the purchase, subscription or issuance of the Purchased Shares or any other shares in the capital of the Corporation.

#### **4.28 Bankruptcy**

Each of the Vendors and the Corporation is not an insolvent Person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) and has not made an assignment in favour of its creditors or a proposal in bankruptcy to its creditors or any class thereof, and no petition for a receiving order has been presented in respect of it. None of the Vendors nor the Corporation has initiated proceedings with respect to a compromise or arrangement with its creditors or for its winding up, liquidation or dissolution. No receiver or interim receiver has been appointed in respect of any Vendor or the Corporation or any of their undertakings, property or assets (including any of the Purchased Shares) and no execution or distress has been levied on any of their undertakings, property or assets (including any of the Purchased Shares), nor have any proceedings been commenced in connection with any of the foregoing.

#### **4.29 Books and Records**

The Vendors have disclosed the existence of and made available for review by the Purchaser all Books and Records. The system of internal accounting controls is sufficient to provide reasonable assurances that transactions are executed in accordance with management’s general or specific authorization and that transactions are recorded as necessary to permit preparation of financial statements in accordance with Applicable Law and to maintain accountability for assets. The Books and Records:

- (a) accurately reflect the basis for the financial condition and the revenues, expenses and results of the operations of the Corporation shown in the Financial Statements;
- (b) together with all disclosures made in this Agreement or in the Schedules to this Agreement, present fairly the financial condition and the revenues, expenses and results of the operations of the Corporation as of and to the date of this Agreement and Closing; and

- (c) are not recorded, stored, maintained, operated or otherwise dependent on or held by any means (including any electronic, mechanical or photographic process, whether computerized or not), which are not or will not be available to the Corporation in the ordinary course after Closing.

Neither Vendor has in its possession or control any documents or information relating to the Corporation, the Business or the Assets (including with respect to Taxes) or the Employee Plans that are not in the possession of the Corporation.

#### **4.30 Disclosure**

The Corporation has made available to the Purchaser all the information reasonably available to the Corporation that the Purchaser has requested or which a Person considering acquiring Ordinary Shares would reasonably require when deciding whether to acquire the Ordinary Shares. No representation or warranty of the Corporation contained in this Agreement, as qualified by the Disclosure Schedules, no disclosure made to the Purchaser and no certificate furnished or to be furnished to the Purchaser at any Closing contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading in light of the circumstances under which they were made. It is understood that this representation is qualified by the fact that the Corporation has not delivered to the Purchaser, and has not been requested to deliver, a disclosure document for the purposes of Chapter 6D of the Corporations Act 2001 (Cth).

#### **4.31 Accredited Investor Status**

Each Vendor is qualified to receive the Consideration Shares, is subject to the applicable securities laws of a jurisdiction of Canada and is an “accredited investor” as such term is defined in National Instrument 45-106 – *Prospectus and Registration Exemptions*.

#### **4.32 No Other Representations and Warranties**

The Corporation is not making and has not made any representations or warranties of any kind or nature whatsoever, oral or written, express or implied, relating to the Corporation or the Purchased Shares except as expressly set forth in this Article 4 to such matters, and the Corporation hereby expressly disclaims any and all other representations and warranties whatsoever.

### **ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF THE PURCHASER**

The Purchaser represents and warrants to the Vendors as follows, as of the date hereof and as of the Time of Closing, and acknowledges and confirms that the Vendors are relying on such representations and warranties in entering into this Agreement:

#### **5.1 Organization, Good Standing, Corporate Power and Qualification**

The Corporation is a corporation duly incorporated, existing and in good standing under Australian Law and has all requisite corporate power and authority to carry on its business as presently conducted and as proposed to be conducted. The Corporation is duly qualified to transact business and is in good standing in each jurisdiction in which the failure to so qualify would have a Material Adverse Effect.

#### **5.2 Authorization**

The Purchaser has full power and authority to enter into this Agreement. This Agreement, when executed and delivered by the Purchaser, will constitute valid and legally binding obligation of the Purchaser, enforceable in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, and any other laws of general application affecting enforcement of creditors’ rights

generally, and as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

### **5.3 Residence**

The Purchaser's office or offices in which its principal place of business is SQID TECHNOLOGIES LIMITED, C/ Baudin Consulting Pty Ltd, Locked Bag 777 Collings Street West, Victoria 8007 Melbourne, Victoria 8007.

### **5.4 Tax**

The Purchaser acknowledges that it has been independently advised as to, or acknowledges that it is aware, and understands that the acquisition, holding and disposition of the Purchased Shares may have Tax consequences under the laws of Australia, confirms that no representation has been made to it by or on behalf of the Corporation with respect thereto (other than the representations set forth herein), and acknowledges and understands that it is its sole responsibility to determine and assess such Tax consequences as may apply to its particular circumstances.

### **5.5 Capitalization**

The authorized securities in the capital of the Purchaser consists of an unlimited number of Ordinary Shares. As of the date hereof, there are issued and outstanding 7,973,456 Ordinary Shares and no other shares are issued and outstanding. All outstanding Ordinary Shares have been duly authorized and validly issued, are fully paid and non-assessable.

### **5.6 Consideration Shares**

The Consideration Shares will be validly issued as fully paid and non-assessable in accordance with applicable securities laws, and will, upon issuance, be duly listed for trading on the Canadian Securities Exchange, subject to the satisfaction of conditions on issuance, if any, by the Canadian Securities Exchange.

### **5.7 Reporting Issuer**

The Purchaser is a "reporting issuer" and not on the list of reporting issuers in default under applicable securities laws and is in compliance with all applicable securities laws in all material respects. The issued and outstanding Ordinary Shares are listed and posted for trading on the Canadian Securities Exchange and are not listed on any other stock exchange.

## **ARTICLE 6 SURVIVAL OF COVENANTS, REPRESENTATIONS AND WARRANTIES**

### **6.1 Survival of Covenants, Representations and Warranties**

The covenants, to the extent that they have not been fully performed at or prior to the Time of Closing, and the representations and warranties contained in this Agreement and in all certificates and documents delivered pursuant to or contemplated by this Agreement shall survive the Closing and shall continue for a period of twenty-four (24) months notwithstanding such Closing nor any investigation made by or on behalf of the Party entitled to the benefit thereof or any knowledge of such party, save and except only: (a) any such representations, warranties or covenants related to any breach or default related to fraud, in respect of which there shall be an indefinite survival period, (b) the representations and warranties contained in Section 4.17 and the covenants in Section 7.2, which shall survive until the 180<sup>th</sup> day following expiration of all applicable time periods for assessment, reassessment, liens and appeals relating thereto provided the Corporation did not file any waiver or other document extending that period, and (c) the representations and warranties set out in Sections 4.1 (insofar as it relates to the due incorporation and organization and good standing of the Corporation), 4.2, 4.3, 4.4, 4.5,



4.6, 4.9, 4.16 (insofar as it relates to non-Tax matters), 5.1 and 5.4 survive and continue in full force and effect without limitation of time, and (d) the representations and warranties set out in Section 4.22 survive Closing and continue in full force and effect until, but not beyond five years.

## **ARTICLE 7 COVENANTS**

### **7.1 Exclusive Dealing**

From the date of execution of this Agreement, until the Time of Closing, the Corporation and the Vendors shall not take any action, directly or indirectly, to encourage, initiate or engage in discussions or negotiations with, or provide any information to, or enter into any agreement or arrangement or understanding with, any person, other than the Purchaser and its designated and authorized Representatives, concerning any sale, transfer or assignment of any portion of the Business, the Assets or the Purchased Shares. The Corporation and the Vendors shall notify the Purchaser promptly if any such discussions or negotiations are sought or if any proposal for a sale, transfer or assignment of any portion of the Business, the Assets or the Purchased Shares is received or being considered.

### **7.2 Tax Matters**

- (a) Preparation and Filing of Tax Returns. The Vendors shall cause to be prepared all Tax Returns of the Corporation that relate to taxation periods commencing before the Closing Date and are not due for filing until after the Closing Date, provided that all such Tax Returns shall be prepared in accordance with Applicable Law and, to the extent not inconsistent with Applicable Law, the past practices of the Corporation, and no such Tax Returns shall be filed unless first approved by the Purchaser, acting reasonably. The Purchaser and the Vendors shall co-operate fully with one another and make available to the other in a timely fashion all information reasonably required for, the preparation and/or approval of those Tax Returns. For greater certainty, the Parties confirm and agree that the Vendors are responsible for the preparation, including all costs related thereto, of all Tax Returns required to be prepared for all Pre-Closing Tax Period and the payment of all Taxes owing in connection with the same.
- (b) Cooperation Respecting Tax Matters. Following the Closing Date, the Purchaser and the Vendors shall cooperate with each other (and the Purchaser shall cause the Corporation to cooperate with the Vendors) in respect of Tax matters arising under this Agreement, including making available to each other in a timely fashion such data and other information as may reasonably be required for the preparation and filing of all Tax Returns, or to pursue any refund, objection or appeal, and shall preserve such data and other information until the expiry of any applicable limitation period under Applicable Law with respect to the periods covered by such Tax Returns.
- (c) Tax Disputes.
  - (i) The procedures set forth in Section 10.5 regarding indemnification procedures for Third Party Claims shall apply to any audit, assessment, reassessment or other Proceeding with respect to Taxes of the Corporation (A) that may result in Taxes owing by the Corporation for a Pre-Closing Tax Period; or (B) for which the Vendors may otherwise reasonably be expected to be liable pursuant to Sections 10.3(a)(i) or (ii) (each, a “**Tax Claim**”).
  - (ii) Without limiting the generality of Section 7.2(c)(i), (A) the Purchaser shall be obligated to provide notice of any Tax Claim received by it or the Corporation in accordance with Section 10.4; and (B) the Vendors shall have the right, by notice to the Purchaser given not later than thirty (30) days after receipt of notice of a Tax Claim,

to assume the control of the defence, compromise or settlement of the Tax Claim (including the entitlement to make representations to the applicable Tax authorities, to file Tax elections, to amend Tax Returns, to file notices of objection or otherwise appeal any such Tax Claim on behalf of the Corporation), provided in all cases such actions are not detrimental to any Indemnified Party, in which case the Purchaser shall provide reasonable cooperation and make available to the Vendors such data and other information as may be reasonably required by the Vendors.

### **7.3 Access to the Corporation**

The Vendors and the Corporation shall forthwith make available to the Purchaser and its authorized Representatives and, if requested by the Purchaser, provide a copy to the Purchaser of, all title documents, Contracts, policies, plans, reports, licences, Orders, Permits, and all other documents, information and data relating to the Corporation. To the extent that it does not interfere with the business operations of the Business, the Vendors shall afford the Purchaser and its authorized Representatives reasonable opportunity to have access to all property and Assets utilized in the Business on such days and at such times as the Vendors may determine. The exercise of any rights of inspection by or on behalf of the Purchaser under this Section 7.3 shall not mitigate or otherwise affect any of the representations and warranties of the Vendors hereunder, which shall continue in full force and effect as provided in Section 6.1.

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

Without in any way limiting any other obligations of the Vendors hereunder, during the period from the date hereof to the Time of Closing:

- (a) Conduct Business in the Ordinary Course.
  - (i) The Corporation and the Vendors shall:
    - (A) cause the Corporation to conduct the Business and the operations and affairs of the Corporation only in the ordinary course;
    - (B) pay its liabilities only when due and in amounts and at times which are consistent with past practice of the Business;
    - (C) preserve the goodwill of the Business including not advertising or otherwise marketing that the Business is ceasing or going out of business;
    - (D) refrain from entering into any compromise or settlement of any litigation, Proceeding or government investigation relating to the Business or any of the Assets or Purchased Shares, without the prior written consent of the Purchaser; and
    - (E) report all Claims or known circumstances or events which may give rise to a Claim to its insurers under its insurance policies in a due and timely manner to the Closing Date and provide copies of those reports to the Purchaser.
  - (ii) The Corporation shall not, without the prior written consent of the Purchaser:
    - (A) enter into any transaction or refrain from doing any action that, if effected before the date of this Agreement, would constitute a breach of any representation, warranty, covenant or other obligation of the Vendors in this Agreement;

- (B) make any change to its Constatng Documents;
  - (C) amalgamate, merge or consolidate with or acquire or agree to acquire all or substantially all of the shares or assets of any Person, not to acquire or lease or agree to acquire or lease any business operations or any equity interests in any other Person, acquire or agree to acquire any legal or beneficial interest in any real property, and occupy, lease, manage or control or agree to occupy, lease or manage or control any facility or property that is not an Asset;
  - (D) enter into any compromise or settlement of any litigation, Proceeding or government investigation relating to the Business or any of the Assets;
  - (E) make any material modification to its usual sales, human resource, accounting, software, or management practices, processes or systems;
  - (F) enter into any Contract of the kind described in Section 4.10;
  - (G) move any material part of the Business to any other location from which the Corporation does not carry on the Business at the date hereof;
  - (H) knowingly take any action, or omit to take any action, that would result in the Corporation being in violation of Applicable Privacy Laws;
  - (I) change its taxation year;
  - (J) change its methods of accounting in effect except as required by changes in GAAP; or
  - (K) change any method of Tax accounting, make or change any material Tax election, file any materially amended Tax Return, settle or compromise any material Tax liability, agree to an extension or waiver of the statute of limitations with respect to the assessment or determination of Taxes, enter into any agreement with respect to any Tax or surrender any right to claim a material Tax refund, except in each case in the ordinary course.
- (b) Continue Insurance. The Vendors shall cause the Corporation to continue to maintain in full force and effect all policies of insurance or renewals thereof now in effect.
- (c) Preserve Goodwill. The Corporation and the Vendors shall use their commercially reasonable efforts to preserve intact the Business and Assets and to carry on business of the Business as currently conducted, and the Corporation and the Vendors shall use their commercially reasonable efforts to promote and preserve for the Purchaser the goodwill of suppliers, customers and others having business relations with the Corporation, except as consented to by the Purchaser in writing (which consent shall not be unreasonably withheld).
- (d) Corporate Action. Each of the Vendors and the Corporation shall use commercially reasonable efforts to take or cause to be taken all necessary corporate action, steps and proceedings to approve and authorize the valid and effective transfer of the Purchased Shares and the Assets to the Purchaser and the execution and delivery of this Agreement and the other agreements and documents contemplated hereby and to cause all necessary meetings of directors and shareholders of the Vendor to be held for such purpose.

- (e) Notification of Certain Matters. The Corporation and the Vendors and each of them shall give prompt notice in writing to the Purchaser of:
- (i) the occurrence, or failure to occur, of any event, which occurrence or failure would be likely to cause any of the representations or warranties of the Vendors contained in this Agreement to be untrue or inaccurate;
  - (ii) any notice or communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement;
  - (iii) any notice or communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement;
  - (iv) any notice or communication from any Governmental Authority in connection with the transactions contemplated under this Agreement;
  - (v) any Proceeding commenced or threatened against any of the Vendors and the Corporation or relating to or involving or otherwise affecting any of them, or which relates to the consummation of the transactions contemplated under this Agreement;
  - (vi) any Proceeding commenced or threatened against any of the Vendors and the Corporation or relating to or involving or otherwise affecting any of them, or which relates to the consummation of the transactions contemplated under this Agreement; and
  - (vii) any failure by any of the Corporation and the Vendors to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied under this Agreement.

### **7.5 Authorization of the Vendors**

The Vendors shall take all necessary corporate action, steps and proceedings to approve or authorize, validly and effectively, the execution and delivery of this Agreement and the other agreements and documents contemplated hereby and to complete the transfer of the Purchased Shares to the Purchaser and to cause all necessary meetings of directors and shareholders of the Corporation to be held for that purpose.

### **7.6 Commercially Reasonable Efforts**

Each of the Vendors shall use its commercially reasonable efforts to satisfy the conditions contained in Section 8.1. The Purchaser shall use its commercially reasonable efforts to satisfy the conditions contained in Section 8.2.

### **7.7 Privacy**

- (a) The Parties hereto acknowledge that they are responsible for compliance at all times with Applicable Privacy Laws which govern the collection, use or disclosure of Personal Information disclosed to either Party pursuant to or in connection with this Agreement (the “**Disclosed Personal Information**”).
- (b) After the Closing Date, a Party may only collect, use and disclose the Disclosed Personal Information for the purposes for which the Disclosed Personal Information was initially

collected from or in respect of the individual to which such Disclosed Personal Information relates or for the completion of the transactions contemplated herein, unless:

- (i) either Party shall have first notified such individual of such additional purpose, and where required by Applicable Law, obtained the consent of such individual to such additional purpose; or
  - (ii) such use or disclosure is permitted or authorized by Applicable Law, without notice to, or consent from, such individual.
- (c) Each Party acknowledges and confirms that the disclosure of the Disclosed Personal Information is necessary for the purposes of completing the transactions contemplated under this Agreement, and that the Disclosed Personal Information relates solely to the carrying on of the Business or the completion of the transaction contemplated by this Agreement;
  - (d) Each Party acknowledges and confirms that it has taken and shall continue to take reasonable steps to, in accordance with Applicable Law, prevent accidental loss or corruption of the Disclosed Personal Information, unauthorized input or access to the Disclosed Personal Information, or unauthorized or unlawful collection, storage, disclosure, recording, copying, alteration, removal, deletion, use or other processing of such Disclosed Personal Information;
  - (e) Subject to the following provisions, each Party shall at all times keep strictly confidential all Disclosed Personal Information provided to it, and shall instruct those employees or advisors responsible for processing such Disclosed Personal Information to protect the confidentiality of such information in a manner consistent with the Parties' obligations hereunder. Prior to the Closing Date, each Party shall take reasonable steps to ensure that access to the Disclosed Personal Information shall be restricted to those employees or advisors of the respective Party who have a bona fide need to access such information in order to complete the transaction contemplated under this Agreement;
  - (f) Where authorized by Applicable Law, each Party shall promptly notify the other Party to this Agreement of all inquiries, complaints, requests for access, variations or withdrawals of consent and Claims of which the Party is made aware in connection with the Disclosed Personal Information. To the extent permitted by Applicable Law, the Parties shall fully co-operate with one another, with the Persons to whom the Personal Information relates, and any authorized authority charged with enforcement of Applicable Privacy Laws, in responding to such inquiries, complaints, requests for access, variations or withdrawals of consent and Claims; and
  - (g) If the transactions contemplated under this Agreement are not completed, the Purchaser shall forthwith cease all use of the Disclosed Personal Information acquired by it in connection with this Agreement and shall return to the requesting Party or, at the requesting Party's request, destroy in a secure manner, the Disclosed Personal Information (and any copies thereof) in its possession.

## **7.8 Delivery of Books and Records**

At the Time of Closing, there shall be delivered to the Purchaser by the Vendors all the Books and Records. After the Closing Date, where there is a legitimate purpose (including, without limitation, in connection with defence of third party litigation, any tax reassessment or other tax related matter or any Claim advanced by the Purchaser), the Purchaser shall provide the Vendors with reasonable assistance and access, upon prior reasonable written request specifying the need therefore, during regular business hours, to: (a) authorized personnel or Representatives of such party and (b) the Books and Records, but, in each case, only to the extent relating prior to the close of business on the Closing Date, and the Vendors and their Representatives shall have the right to

make copies of such Books and Records; *provided, however*, that the foregoing right to assistance and access shall not be exercised in such a manner as to interfere unreasonably with the normal operations and business of the Purchaser; and *further provided*, that, as to such information as constitutes trade secrets or confidential business information, the Vendors and their authorized personnel and Representatives shall use due care to not disclose such information to any third Person, except (i) as required by Applicable Law, (ii) with the prior written consent of the Purchaser, or (iii) where such information is or becomes available to the public generally.

## **ARTICLE 8 CONDITIONS OF CLOSING**

### **8.1 Conditions of Closing in Favour of the Purchaser**

The purchase and sale of the Purchased Shares is subject to the following terms and conditions for the exclusive benefit of the Purchaser, to be performed or fulfilled at or prior to the Time of Closing:

- (a) Representations and Warranties. The representations and warranties of the Vendors contained in this Agreement shall be true and correct at the Time of Closing with the same force and effect as if such representations and warranties were made at and as of such time, and certificates of each of the Vendors, dated the Closing Date, to that effect shall have been delivered to the Purchaser, such certificates to be in form and substance satisfactory to the Purchaser, acting reasonably.
- (b) Covenants. All of the terms, covenants and conditions of this Agreement to be complied with or performed by the Vendors at or before the Time of Closing shall have been complied with or performed, and certificates of each of the Vendors, dated the Closing Date, to that effect shall have been delivered to the Purchaser, such certificate to be in form and substance satisfactory to the Purchaser, acting reasonably.
- (c) Listing. Application shall have been made to the Canadian Securities Exchange for the issuance and listing of the Consideration Shares, and, if applicable, the Transaction.
- (d) Consents. All necessary regulatory and contractual consents and Approvals shall have been obtained as are required to be obtained by the Vendors to permit the change of ownership of the Purchased Shares contemplated hereby and such other consents and Approval as may be required to approve the change of ownership of the Purchased Shares.
- (e) Shareholder Meeting. If required under Applicable Law, the purchase of the Purchased Shares contemplated hereby shall be approved at a meeting of the shareholders of the Purchaser.
- (f) No Material Adverse Change. In the opinion of the Purchaser, there shall have been no Material Adverse Change since the date of this Agreement.
- (g) No Proceedings. No legal or regulatory action or Proceeding shall be pending or threatened by any person other than a party hereto to enjoin, restrict or prohibit the purchase and sale of the Purchased Shares contemplated hereby.
- (h) Shareholder Releases. Each of the Vendors, in their capacity as shareholders of the Corporation, shall have caused to be delivered to the Purchaser written releases of the Vendors in form and substance satisfactory to the Purchaser, in each case with effect from the Time of Closing.
- (i) Encumbrances. The Purchaser shall have received evidence satisfactory to it that all Encumbrances on the Assets and the Purchased Shares have been discharged or shall be discharged.

- (j) Permits. The Purchaser shall have obtained the requisite Permits, business licence(s) and other required authorizations in a form and substance satisfactory to the Purchaser, acting reasonably.
- (k) Share Certificates and Books and Records. The Vendors have caused to be delivered to the Purchaser the following: (i) certificates representing the Purchased Shares, accompanied by stock transfer powers duly executed in blank or duly executed instruments of transfer, and all such other assurances, consents and other documents as the Purchaser reasonably requests to effectively transfer to the Purchaser title to the Purchased Shares free and clear of all Encumbrances; (ii) original share registers, share transfer ledgers, minute books and corporate seals (if any) of the Corporation; and (iii) all other Books and Records.
- (l) Certificate. The President of the Vendor shall deliver a certificate to the Purchaser, dated the Closing Date, certifying that: (i) attached thereto are true and correct copies of the Constatting Documents of the Vendor and all amendments thereto, which Constatting Documents constitute all of the Constatting Documents of the Vendor and are in full force and effect and no Proceedings have been taken or are pending to amend, modify or rescind the same as of the date thereof; (ii) attached thereto are accurate reproductions of resolutions of the directors and the shareholders of the Vendor approving this Agreement and the transactions hereunder, which resolutions are in full force and effect, unamended as of the date thereof; (iii) the Vendor is not subject to a shareholder or pooling agreement; and (iv) the directors and officers of the Vendor executing the Agreement, the Closing Documents and any other related documents on behalf of the Vendor have the authority to do so, such certificate to be in form and substance satisfactory to the Purchaser, acting reasonably.
- (m) Closing Documents. The Vendors and the Corporation shall have delivered a certificate of status of the Corporation dated within three (3) days of the Closing Date, and shall have executed and delivered to the Purchaser all documents as the Purchaser or the Purchaser's Counsel may reasonably request for the purposes of effecting transactions under this Agreement.

If any of the conditions described in this Section 8.1 have not been performed or fulfilled at or prior to the Outside Date (or the specific time specified in Section 8.1), the Purchaser may, by written notice to the Vendors, terminate this Agreement and the obligations of the Vendors and the Purchaser under this Agreement, other than the obligations contained in Article 10 and Sections 11.1, 11.6 and 11.7 and **Schedule 1** (which shall survive indefinitely), provided that the Purchaser may also bring an action pursuant to Article 10 against the Vendors for damages suffered by the Purchaser where the non-performance or non-fulfilment of the relevant condition is as a result of a breach of covenant, representation or warranty by either Vendor. Any such condition may be waived in whole or in part by the Purchaser without prejudice to any claims it may have for breach of covenant, representation or warranty.

## **8.2 Conditions of Closing in Favour of the Vendors**

The sale and purchase of the Purchased Shares is subject to the following terms and conditions for the exclusive benefit of the Vendors to be performed or fulfilled at or prior to the Time of Closing:

- (a) Representations and Warranties. The representations and warranties of the Purchaser contained in this Agreement shall be true and correct at the Time of Closing with the same force and effect as if such representations and warranties were made at and as of such time, and a certificate of a senior officer of the Purchaser, dated the Closing Date, to that effect shall have been delivered to the Vendors, such certificate to be in form and substance satisfactory to the Vendors, acting reasonably.

- (b) Covenants. All of the terms, covenants and conditions of this Agreement to be complied with or performed by the Purchaser at or before the Time of Closing shall have been complied with or performed, and a certificate of a senior officer of the Purchaser, dated the Closing Date, to that effect shall have been delivered to the Vendors, such certificates to be in form and substance satisfactory to the Vendors, acting reasonably.
- (c) Share Certificates. The Purchaser have caused to be delivered to the Vendors certificates representing the Consideration Shares.
- (d) Closing Documents. The Purchaser shall have delivered a certificate of status of the Purchaser dated within three (3) days of the Closing Date, and shall have executed and delivered to the Vendors all documents as the Vendors or the Vendors' Counsel may reasonably request for the purposes of effecting transactions under this Agreement.

If any of the conditions described in this Section 8.2 have not been performed or fulfilled at or prior to the Outside Date, the Vendors may, by written notice to the Purchaser, terminate this Agreement and the obligations of the Vendors and the Purchaser under this Agreement, other than the obligations contained in Article 10 and Sections 11.1, 11.6 and 11.7 and **Schedule 1** (which shall survive indefinitely), provided that the Vendors may also bring an action pursuant to Article 10 against the Purchaser for damages suffered by either of the Vendors where the non-performance or non-fulfilment of the relevant condition is as a result of a breach of covenant, representation or warranty by the Purchaser. Any such condition may be waived in whole or in part by the Vendors without prejudice to any claims they may have for breach of covenant, representation or warranty.

## ARTICLE 9 CLOSING DATE AND TRANSFER

### 9.1 Effective Date of Transfer

Subject to compliance with the terms and conditions hereof, the transfer and assignment of the Purchased Shares from the Vendors to the Purchaser and the assumption of the benefits and obligations associated with the Purchased Shares for purposes of adjustments shall occur and be deemed to take effect as of the Time of Closing. The possession and title to the Purchased Shares shall not pass to the Purchaser until the Time of Closing.

### 9.2 Risk of Loss

From the date hereof up to the Time of Closing the Vendors shall maintain in force all the policies of business interruption insurance and of property damage insurance under which any of the Assets or the Business is insured. If, before the Time of Closing, any of the Assets or part of the Business is lost, damaged or destroyed or is appropriated, expropriated or seized by any Governmental Authority, and the loss, damage, destruction, appropriation, expropriation or seizure constitutes a Material Adverse Change, then the Purchaser at its sole discretion may either:

- (a) terminate this Agreement by written notice to the Vendors; or
- (b) require the Vendors to reduce the Purchase Price by the amount of the replacement cost of the Assets and/or the Business which were lost, damaged or destroyed less the amount of any proceeds of insurance payable as a result of the occurrence, which proceeds of insurance are to be directed by the Vendor to be paid to the Purchaser.

### 9.3 Further Assurances

From time to time subsequent to the Closing Date, each party to this Agreement covenants and agrees that it shall at all times after the Closing Date, at the expense of the requesting party, promptly execute and deliver all



such documents and do all such other acts and things as the other party, acting reasonably, may from time to time request be executed or done in order to better evidence or perfect or effectuate any provision of this Agreement or of any agreement or other document executed pursuant to this Agreement or any of the respective obligations intended to be created hereby or thereby.

## **ARTICLE 10 INDEMNIFICATION**

### **10.1 Indemnification by the Vendors**

- (a) In addition to any other indemnification provided by the Vendors contained in this Agreement and subject to this Article 10, the Vendors shall jointly and severally indemnify and save harmless the Purchaser, the Corporation and, to the extent named or involved in any Third Party Claim, the Purchaser Indemnitees from, and shall pay in cash to the Purchaser, the Corporation and the Purchaser Indemnitees, on demand, the amount of any and all Losses, as a result of or arising in connection with:
- (i) any inaccuracy of or any breach of any representation or warranty made by any of the Vendors in this Agreement or in any contract, agreement, instrument, certificate or other document delivered pursuant to this Agreement, whether or not the Purchaser relied on or had knowledge of it;
  - (ii) any breach or non-performance by any of the Vendors of any covenant or other obligation contained in this Agreement or in any contract, agreement, instrument, certificate or other document delivered pursuant to this Agreement;
  - (iii) any Claim by any Person for brokerage or finder's fees, commission or similar payments based on any agreement or understanding made or alleged to have been made by any such Person with the Vendors or the Corporation (or any Person acting on their behalf) in connection with the transactions under this Agreement;
  - (iv) any Taxes (including without limitation any corporate income tax, sales tax and related interest and penalties) payable by the Corporation in respect of any Pre-Closing Tax Period or arising out of or in connection with or related in any manner whatsoever to any breach of, or inaccuracy in, any representation or warranty of either Vendor contained in this Agreement or in any agreement, certificate or other document delivered pursuant hereto;
  - (v) any costs or expenses in relation to an objection or appeal by the Purchaser, the Corporation or the Vendors of any assessment or reassessment by the CRA, Alberta Treasury or any other taxation authority in respect of any Taxes described in Section 10.1(a)(iv);
  - (vi) any breach or non-performance by either Vendor of any covenant to be performed by it that is contained in this Agreement or in any agreement, certificate or other document delivered pursuant hereto;
  - (vii) the operations of the Business or the ownership of the Assets up to the Time of Closing; and
  - (viii) any Claim to which the Vendor is a party at any time on or prior to the Closing Date, or to which it becomes a party after the Closing Date arising from the fact or circumstances that existed at any time on or prior to the Closing Date.

## 10.2 Indemnification by the Vendors With Respect to Environmental Matters

In addition to the indemnification provided by the Vendors in Section 10.1 and to any other indemnifications provided by the Vendors contained in this Agreement and subject to this Article 10, the Vendors shall jointly and severally indemnify and save harmless the Purchaser and the Purchaser Indemnitees from, and shall pay to the Purchaser and the Purchaser Indemnitees on demand, the amount of any and all Losses (including costs of clean-up) as a result of or arising in connection with:

- (a) the ownership, operation or condition of the Assets;
- (b) the presence, whether known or unknown, of a Hazardous Substance on, under, or migrating from, any Assets or property of the Corporation at any time prior to the Time of Closing; and
- (c) without limiting the generality of the foregoing, any cost recovery action or allegation in the nature of a cost-recovery action under Environmental Laws in relation to Sections 10.2(a) or 10.2(b),

whether or not the Losses first occur, or are alleged to have occurred, before or after the Time of Closing.

## 10.3 Indemnification by the Purchaser

- (a) The Purchaser agrees to indemnify and save harmless the Vendors from all Losses suffered or incurred by the Vendors as a result of or arising directly or indirectly out of or in connection with:
  - (i) any inaccuracy of or any breach of any representation or warranty made by the Purchaser in this Agreement or in any contract, agreement, instrument, certificate or other document delivered pursuant to this Agreement, whether or not the Vendors relied on or had knowledge of it;
  - (ii) any breach by the Purchaser of or any inaccuracy of any representation or warranty contained in this Agreement or in any agreement, instrument, certificate or other document delivered pursuant hereto; and
  - (iii) any Claim by any Person for brokerage or finder's fees, commission or similar payments based on any agreement or understanding made or alleged to have been made by any such Person with the Purchaser (or any Person acting on their behalf) in connection with the transactions under this Agreement.

## 10.4 Notice of Claim

- (a) The party seeking indemnification (the "**Indemnified Party**"), promptly on becoming aware of any circumstances that have given or could give rise to a Third Party Claim or a Direct Claim, shall give an Indemnification Notice of those circumstances to the applicable Party obligated to provide indemnification under this Agreement (the "**Indemnifying Party**") and the Purchaser, in the case of the Purchaser Indemnitees. The Indemnification Notice will specify whether the Losses arise as a result of a Third Party Claim or a Direct Claim, and will also specify with reasonable particularity (to the extent the information is available) the factual basis for the Claim and the amount of the Losses, if known.
- (b) The failure to give, or delay in giving, an Indemnification Notice does not relieve the Indemnifying Party of its obligations except and only to the extent of any prejudice caused to the Indemnifying Party by that failure or delay.

- (c) Provided that the Indemnified Party gives an Indemnification Notice of the Claim to the Indemnifying Party on or prior to the expiry of the applicable time period related to that representation and warranty or covenant, as the case may be, set out in Section 6.1, liability of the Indemnifying Party for that representation, warranty or covenant will continue in full force and effect until the final determination of that Claim.

#### **10.5 Indemnification Procedures for Third Party Claims**

- (a) The Indemnifying Party has the right, by notice to the applicable Indemnified Party given not later than 30 days after receipt of the Indemnification Notice, to assume control of the defence, compromise or settlement of the Third Party Claim provided that:
  - (i) the Third Party Claim involves only money damages and does not seek any injunctive or other equitable relief;
  - (ii) if the named parties in any Third Party Claim include both the Indemnifying Party and the Indemnified Party, representation by the same counsel would, in the judgment of the Indemnified Party, still be appropriate notwithstanding any actual or potential differing interests between them (including the availability of different defences);
  - (iii) settlement of, or an adverse judgment with respect to, the Third Party Claim is not, in the judgment of the Indemnified Party, likely to establish a precedent, custom or practice adverse to the continuing business interest of the Indemnified Party; and
  - (iv) the Indemnifying Party, from time to time, at the request of the Indemnified Party, gives security satisfactory to the Indemnified Party against any costs and other liabilities to which the Indemnified Party may be or become exposed as a result of that Third Party Claim.
- (b) On the assumption of control by the Indemnifying Party, it is conclusively established for purposes of this Agreement that the Third Party Claim is within the scope of, and is subject to, the indemnification pursuant to this Article 10, and:
  - (i) the Indemnifying Party will actively and diligently proceed with the defence, compromise or settlement of the Third Party Claim at the Indemnifying Party's sole cost and expense, including the retaining of counsel reasonably satisfactory to the Indemnified Party;
  - (ii) the Indemnifying Party will keep the Indemnified Party fully advised with respect to the defence, compromise or settlement of the Third Party Claim (including supplying copies of all relevant documents promptly as they become available) and will arrange for its counsel to inform the Indemnified Party on a regular basis of the status of the Third Party Claim;
  - (iii) the Indemnified Party may retain separate co-counsel at its sole cost and expense and participate in the defence of the Third Party Claim (provided the Indemnifying Party shall continue to control that defence); and
  - (iv) the Indemnifying Party will not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim unless consented to by the Indemnified Party (which consent may not be unreasonably or arbitrarily withheld, delayed or conditioned).

- (c) Provided all the conditions set forth in Section 10.5(a) are satisfied and the Indemnifying Party is not in breach of any of its obligations under Section 10.5(b), the Indemnified Party will, at the expense of the Indemnifying Party, co-operate with the Indemnifying Party and use its best efforts to make available to the Indemnifying Party all relevant information in its possession or under its control (provided that it does not cause the Indemnified Party to breach any confidentiality obligations) and will take such other steps as are, in the reasonable opinion of counsel for the Indemnifying Party, necessary to enable the Indemnifying Party to conduct that defence, provided always that:
- (1) no admission of fault may be made by or on behalf of the Purchaser or any Purchaser Indemnitee without the prior written consent of the Purchaser;
  - (2) no admission of fault may be made by or on behalf of either Vendor without the prior written consent of the Vendors; and
  - (3) the Indemnified Party is not obligated to take any measures which, in the reasonable opinion of the Indemnified Party's legal counsel, could be prejudicial or unfavourable to the Indemnified Party.
- (d) If (i) the Indemnifying Party does not give the relevant Indemnified Party the notice provided in Section 10.5(a), (ii) any of the conditions in Section 10.5(a) are unsatisfied, or (iii) the Indemnifying Party breaches any of its obligations under Sections 10.5(b) or 10.5(c), the applicable Indemnified Party may assume control of the defence, compromise or settlement of the Third Party Claim as in its sole discretion may appear advisable, and is entitled to retain counsel as in its sole discretion may appear advisable, the whole at the Indemnifying Party's sole cost and expense. Any settlement or other final determination of the Third Party Claim will be binding on the Indemnifying Party. The Indemnifying Party will, at its sole cost and expense, cooperate fully with the Indemnified Party and use its best efforts to make available to the Indemnified Party all relevant information in its possession or under its control and take such other steps as are, in the reasonable opinion of counsel for the Indemnified Party, necessary to enable the Indemnified Party to conduct the defence. The Indemnifying Party will reimburse the Indemnified Party promptly and periodically for the costs of defending against the Third Party Claim (including legal fees and expenses), and will remain responsible for any Losses the Indemnified Party provided in this Article 10.

## 10.6 Direct Claims

Following receipt of an Indemnification Notice in respect of a Direct Claim, the Indemnifying Party has 60 days to make such investigation of the Direct Claim as is considered necessary or desirable. For the purpose of that investigation, the Indemnified Party shall make available to the Indemnifying Party the information relied on by the Indemnified Party to substantiate the Direct Claim, together with such information as the Indemnifying Party may reasonably request. If the Parties agree at or prior to the expiry of this 60 day period (or prior to the expiry of any extension of this period agreed to by the Parties) as to the validity and amount of that Direct Claim, the Indemnifying Party shall immediately pay to the Indemnified Party the full amount as agreed to by the Parties of the Direct Claim, failing which the matter shall be referred to binding arbitration in accordance with Section **Error! Reference source not found.** For clarity, the Purchaser is deemed to have incurred or suffered Losses as of and from the Closing Date as a consequence of any reduction in the value of the Assets resulting from an inaccuracy or breach of any representation or warranty by the Vendors or by either of them or any breach or non-fulfillment by the Vendors or by either of them of any of their covenants or obligations under this Agreement.

### **10.7 Waiver**

The Indemnifying Party waives any right it may have to require an Indemnified Party to proceed against or enforce any other right, power, remedy or security or to claim payment from any other Person before claiming under the indemnity provided for in this Article 10. It is not necessary for an Indemnified Party to incur expense or make payment before enforcing that indemnity.

### **10.8 Reductions and Subrogation**

If the amount of any Loss incurred by a party at any time subsequent to the making of an indemnity payment is reduced by:

- (a) any net Tax benefit to that party; or
- (b) any recovery, settlement or otherwise under or pursuant to any insurance coverage, or pursuant to any Claim, recovery, settlement or payment by or against any other Person,

the amount of such reduction (less any costs, expenses (including taxes) or premiums incurred in connection therewith), together with interest thereon from the date of payment thereof at a rate of 5% percent, shall promptly be repaid by that party to the other party. Upon making a full indemnity payment, a Party shall, to the extent of such indemnity payment, be subrogated to all rights of the other Party against any third party in respect of the Losses to which the indemnity payment relates.

### **10.9 Set-Off**

A Party is entitled to set-off any Losses subject to indemnification under this Agreement or in any contract, agreement, instrument, certificate or other document delivered pursuant to this Agreement against any other amounts payable by the Party to another party whether under this Agreement or otherwise.

### **10.10 Trust and Agency**

The Purchaser accepts each indemnity in favour of any of the Purchaser Indemnitees that is not a Party as agent and trustee of that Purchaser Indemnitee and may enforce any such indemnity in favour of that Purchaser Indemnitee on behalf of that Purchaser Indemnitee.

### **10.11 Investigation**

Any investigation by the Purchaser or its Affiliates and their Representatives shall not mitigate, diminish or affect the representations and warranties of the Vendors pursuant to this Agreement. The right of the Purchaser to indemnification, payment, reimbursement, or other remedy based upon any such representation or warranty will not be affected by any investigation conducted or any knowledge acquired by the Purchaser or its Affiliates and their Representatives at any time, whether before or after the execution and delivery of this Agreement or the Closing Date, with respect to the accuracy or inaccuracy of, or compliance with, such representation or warranty.

## **ARTICLE 11 MISCELLANEOUS**

### **11.1 Notices**

- (a) Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered in person or transmitted by recorded electronic communication addressed as follows:

(i) if to the Purchaser:

**SQID Technologies Limited**

L14 440 Collins Street  
Melbourne, VIC 3000  
Australia

Attention: Mark Pryn  
Email: cosec@sqidpayments.com.au

with a copy to:

athan@dalext.com  
mikec33@gmail.com  
andrewsterling@qpf.com.au

**Borden Ladner Gervais LLP** (which does not constitute notice)

Centennial Place East Tower  
520 3 Ave SW, Suite 1900  
Calgary, AB T2P 0R3

Attention: Robb McNaughton  
Email: rmcnaughton@blg.com

(ii) if to the Corporation:

**ICON Esports Pty Ltd.**

86 Faheys Road West  
Albany Creek, QLD 4035

Attention: Ben Dixon  
Email: ben@bello.vip

(iii) if to the Vendors:

**Sixfold Group PTY Limited**

32 Colbran Avenue  
Kenthurst, NSW 2156  
Australia

Attention: Adrian Whittingham  
Email: sparkglobalno1@gmail.com

**SPI Global PTY Limited**

Unit 1B 134 – 140 Old Pittwater Road  
Brookvale, NSW 2100  
Australia

Attention: Edward Abbott  
Email: Edward.abbott@tlaworldwide.com

**10 Barclay Investments**

30 Middle Head Road  
Mosman, NSW 2088  
Australia

Attention: Duane Cadman  
Email: duane.cadman@stepstonegroup.com

**Therese-Marie Taylor**

2 Glencarron Avenue  
Mosman, NSW 2088  
Australia

Attention : Nathan Taylor  
Email : karingalgroup@gmail.com

**A.C.N. 633 626 981**

8 Brighton Street  
Botany, NSW 2019  
Australia

Attention: Frank Li  
Email: li.frank93@gmail.com

**Nicholas Bobir**

86 Faheys Road West  
Albany Creek, QLD 4035  
Australia

Attention: Nick Bobir  
Email: nick.bobir@iconcreative.com.au

**Nathan Taylor and Therese-Marie Taylor**

2 Glencarron Avenue  
Mosman, NSW 2088  
Australia

Attention: Nathan Taylor  
Email: karingalgroup@gmail.com

**Michael Stewart**

2B / 8 Voltri Street  
Mentone, VIC 3194  
Australia

Attention: Michael Stewart  
Email: mike.stewart@iconcreative.com.au

**Joshua Harvey**  
8 Trapper Court  
Mount Baker, SA 5251

Attention: Joshua Harvey  
Email: josh.harvey@iconcreative.com.au

- (b) Any such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a Business Day, on the next following Business Day).
- (c) Either party may at any time change its address for service from time to time by giving notice to the other party in accordance with this Section 11.1.

### **11.2 Non-Transferability**

- (a) Subject to Section 11.2(b), to the extent that any of the Purchased Shares are not capable of being sold, transferred, or delivered without the consent or waiver of any person, or if such sale, transfer, delivery or attempted sale or delivery would constitute a breach thereof or a violation of any Applicable Law, this Agreement shall not constitute a sale, transfer, or delivery thereof, or an attempted sale, transfer, or delivery thereof until such consent or waiver of the applicable person is received.
- (b) The Vendors shall use their reasonable commercial efforts (and the Purchaser shall reasonably cooperate with the Vendors) on or before the Closing Date and thereafter as required, to obtain the consents and waivers referred to in Section 11.2(a) and to resolve the impediments to the sale, transfer, or delivery referred to in Section 11.2(a), and to obtain any other consents and waivers necessary to convey to the Purchaser any of the Purchased Shares.

### **11.3 Governing Law**

This Agreement is governed by and construed in accordance with the laws of Victoria, Australia.

### **11.4 Dispute Resolution**

The Parties hereby irrevocably and unconditionally submit to the jurisdiction of the courts of Victoria, Australia for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement, agree not to commence any suit, action or other proceeding arising out of or based upon this Agreement except in the courts of Victoria, Australia, and hereby waive, and agree not to assert, by way of motion, as a defence, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court.

### **11.5 Disclosure**

Prior to any public announcement of the transactions contemplated hereby, neither party shall disclose this Agreement or any aspects of such transaction except to its board of directors, its senior management, its legal, accounting, financial or other professional advisors, any financial institution contacted by it with respect to any financing required in connection with such transaction or the payout of existing debts and discharge of security



of such financial institution or counsel to such institution, or as may be required by any Applicable Law or any regulatory authority having jurisdiction.

#### **11.6 Confidentiality**

The Vendors and the Purchaser shall maintain the confidentiality of any information received from each other in connection with the transactions contemplated by this Agreement, whether received before or after the date of this Agreement. If the transfer of the Purchased Shares or the Assets to the Purchaser is not consummated, each shall return to the other any and all confidential schedules, documents, and other written and electronic information obtained from the other in connection with this Agreement whether received before or after the date of this Agreement and the Purchaser agrees that, except as otherwise authorized by the Vendors, neither the Purchaser nor its Representatives, agents or employees shall disclose to third parties any Confidential Information or confidential data relating to the Corporation, the Vendors, the Business or the Purchased Shares, or any matter related thereto discovered by the Purchaser or its Representatives as a result of the Vendors making available to the Purchaser and its Representatives the information requested by them in connection with the transactions contemplated herein.

#### **11.7 Independent Legal Advice**

The Parties acknowledge that they have entered into this Agreement willingly with full knowledge of the obligations imposed by the terms of this Agreement. The Parties acknowledge that they have been afforded the opportunity to obtain independent legal advice and confirm by the execution of this Agreement that they have either done so or waived their right to do so, and agree that this Agreement constitutes a binding legal obligation and that they are estopped from raising any claim on the basis that they have not obtained such advice.

#### **11.8 Assignment by Purchaser**

This Agreement may only be assigned with the express written consent of the other party.

#### **11.9 Expenses**

Each Party shall pay all expenses (including Taxes imposed on those expenses) it incurs in the authorization, negotiation, preparation, execution and performance of this Agreement and the transactions hereunder, including all fees and expenses of its legal counsel, bankers, investment bankers, brokers, accountants or other Representatives or consultants.

#### **11.10 Counterparts**

This Agreement may be executed in any number of counterparts (and delivered by facsimile or other electronic means), each of which shall constitute an original and all of which taken together shall constitute one and the same instrument.

*[Signature pages follow.]*

IN WITNESS WHEREOF this Agreement has been executed by the Parties.

**SQID TECHNOLOGIES LIMITED**

Per:

\_\_\_\_\_  
I have authority to bind the Corporation.

**SIXFOLD GROUP PTY LIMITED**

Per:

\_\_\_\_\_  
I have authority to bind the Corporation.

**10 BARCLAY INVESTMENTS**

Per:

\_\_\_\_\_  
I have authority to bind the Corporation.

**A.C.N. 633 626 981**

Per:

\_\_\_\_\_  
I have authority to bind the Corporation.

**SPI GLOBAL PTY LIMITED**

Per:

\_\_\_\_\_  
I have authority to bind the Corporation.

\_\_\_\_\_  
WITNESS

\_\_\_\_\_  
**THERESE-MARIE TAYLOR**

\_\_\_\_\_  
WITNESS

\_\_\_\_\_  
**NATHAN TAYLOR AND THERESE-MARIE TAYLOR**

\_\_\_\_\_  
WITNESS

\_\_\_\_\_  
**MICHAEL STEWART**

\_\_\_\_\_  
WITNESS

\_\_\_\_\_  
**JOSHUA HARVEY**

\_\_\_\_\_  
WITNESS

\_\_\_\_\_  
**NICHOLAS BOBIR**

**ICON ESPORTS PTY LTD.**

Per:

\_\_\_\_\_  
I have authority to bind the Corporation.

**SCHEDULE 1**  
**INTERPRETATION**

**1. Defined Terms**

For the purposes of this Agreement, unless the context otherwise requires, the following terms shall have the respective meanings specified or referred to below and grammatical variations of such terms shall have corresponding meanings:

- (a) “**ACC**” has the meaning set out in Section 4.23;
- (b) “**Accounting Records**” means all of the Corporation’s books of account, accounting records and other financial data and information, including copies of filed Tax Returns and tax assessment notices for each of the fiscal years of the Corporation;
- (c) “**Act**” means the *Business Corporations Act* (Alberta) as in effect on the date hereof;
- (d) “**Affiliate**” has the meaning given to that term in the Act;
- (e) “**Agreement**” means this Share Purchase Agreement and all amendments made in writing by the Parties hereto, “herein” and similar expressions mean and refer to this Agreement and not to any particular Article, section, Section or Schedule;
- (f) “**Applicable Law**” means any statute, code, ordinance, decree, rule, regulation, municipal by-law, judicial or arbitral or administrative or ministerial or departmental or regulatory judgment, regulatory policy, practice, guideline, Order, decision, ruling or award or any provision of the foregoing, and a principle of common law, civil law or equity, binding on or affecting the person referred to in the context in which such word is used;
- (g) “**Applicable Privacy Laws**” means any and all Applicable Law relating to privacy and the collection, use and disclosure of Personal Information in all applicable jurisdictions, including but not limited to the Personal Information Protection Act (Alberta) and/or any applicable federal law;
- (h) “**Approvals**” means franchises, licences, qualifications, authorizations, consents, certificates, registrations, exemptions, waivers, filings, grants, notifications, privileges, rights, Orders, judgments, rulings, directives, Permits, and other permits and approvals;
- (i) “**Arbitration Act**” means the *Arbitration Act* (Alberta), as amended from time to time;
- (j) “**Articles**” means, in each case to the extent applicable, the original or restated articles of incorporation, articles of amendment, articles of amalgamation, articles of arrangement, articles of continuance, articles of dissolution, articles of reorganization, articles of revival, letters patent, supplementary letters patent, a special act, memorandum and articles of association and any other instrument by which a corporation is incorporated;
- (k) “**Assets**” has the meaning set out in Section 3.2;
- (l) “**Associates**” means a related party;
- (m) “**Board**” means the board of directors of the Corporation;

- (n) “**Books and Records**” means the Accounting Records, the corporate records of the Corporation and all sales and purchase records, lists of suppliers and customers, credit and pricing information, formulae, business, engineering and consulting reports and research and development information and plans and projections of or relating to the Corporation or the Business and all other books, documents, files (including paper files), records, correspondence, data and information, financial, Tax or otherwise, which pertain to the Corporation or the Business, including all data and information stored electronically or on computer related media, whether under the control of the Corporation or otherwise;
- (o) “**Business**” means the business of the Corporation, being the provision of comprehensive failure analysis services to both industry and the insurance and legal communities;
- (p) “**Business Day**” means any day, other than a Saturday or a Sunday or a statutory holiday in the Province of Alberta;
- (q) “**Claim**” means any claim, demand, action, cause of action, suit, arbitration, investigation, Proceeding, complaint, grievance, charge, prosecution, assessment or reassessment, including any appeal or application for review;
- (r) “**Closing**” means the completion of the sale to, and purchase by, the Purchaser of the Purchased Shares and the completion of all other transactions contemplated by this Agreement which are to occur contemporaneously with the purchase and sale of the Purchased Shares;
- (s) “**Closing Date**” means 28/10/2021, or such other date as the Parties shall agree to;
- (t) “**Closing Document**” means any document delivered at or subsequent to the Time of Closing as provided in or pursuant to this Agreement;
- (u) “**Confidential Information**” means any and all proprietary information, ideas and concepts relating to the Business, for the purpose or competitive interests of the Corporation including any and all (i) data, databases, results, analyses, procedures, formulas, specifications, techniques, methodology and technical and scientific expertise which relate to the Business’s products or services; (ii) business, financial, marketing, sales, distribution, customer, licensor, licensee and supply information; (iii) information related to such Business’s internal organization, personnel, methods and procedures, pricing, credit, technology, software, facilities, capabilities, research, development, planning and work in process; (iv) Personal Information as hereafter defined; (v) trade secrets, proprietary sales information and know-how, equipment and parts lists and descriptions, instruction manuals; and (vi) information which would reasonably be considered to be confidential information of the Business, whether in written, oral or electronic form and whether or not specifically identified as confidential, but does not include any:
  - (i) information which is in the public domain or becomes publicly available through no act or failure to act by the Corporation or any of its respective Affiliates; or
  - (ii) information which is required to be disclosed by Applicable Law, provided that the Vendors immediately notify the Purchaser of such disclosure requirement and the Purchaser has the opportunity to contest or obtain a court order preventing such disclosure;
- (v) “**Confidential Information Agreements**” has the meaning set forth in Section 4.19;
- (w) “**Consideration Shares**” has the meaning set forth in Section 3.1(a);

- (x) “**Constating Document**” means, with respect to any Person, its articles or certificate of incorporation, amendment, amalgamation or continuance, memorandum and articles of association, constitution, letters patent, supplementary letters patent, by-laws, partnership agreement, limited liability company agreement or other similar document, and all unanimous shareholder agreements, other shareholder agreements, voting trusts, pooling agreements and similar Contracts, arrangements and understandings applicable to the Person’s equity interests, all as amended, supplemented, restated and replaced from time to time;
- (y) “**Contract**” means any agreement, indenture, contract, lease, deed of trust, licence, option, instrument or other commitment, whether written or oral;
- (z) “**Corporation Intellectual Property**” means the Intellectual Property of the Corporation;
- (aa) “**CRA**” means Canada Revenue Agency or any successor agency;
- (bb) “**Direct Claim**” means a Claim asserted against an Indemnified Party by any Person who is a Party or an Affiliate of a Party
- (cc) “**Directors’ Loan**” means any loan from the Corporation to any member of the Corporation’s Board;
- (dd) “**Disclosed Personal Information**” has the meaning set out Section 7.7(a);
- (ee) “**Disclosure Schedule**” means the Disclosure Schedule attached as **Schedule 3** to this Agreement;
- (ff) “**Disposal**” means any disposal by any means, including dumping, incineration, spraying, pumping, injecting, depositing or burying;
- (gg) “**Dispute**” has the meaning set out in Section **Error! Reference source not found.**;
- (hh) “**Employee Plans**” means the employment contracts of any Employees;
- (ii) “**Employees**” means those employees of the Corporation who are employed in the Business immediately prior to the Time of Closing;
- (jj) “**Encumbrance**” means any ownership claim, title retention claim, prior claim, security interest (whether contractual, statutory, or otherwise), hypothec, mortgage, encumbrance, pledge, indenture, loan agreement, judgment, execution, agreement, benefit, exception, reservation, easement, right of occupation, any matter capable of registration against title, privilege, rights of pre-emption, trust or deemed trust (whether contractual, statutory, or otherwise), lien, execution, levy, charge, registered and unregistered estate, license, benefit, pledge, instrument, lease, assignment, right of distress, right of setoff (whether legal, equitable or contractual), option, adverse claim, Tax, or any other right, title, interest, limitation or claim of any kind whatsoever, or howsoever arising or other financial or monetary claim, whether or not it has attached or been perfected, registered or filed and whether secured, unsecured or otherwise including (i) any encumbrances or charges created by court order; and (ii) all charges, security interests or claims evidenced by any personal property registry system, or any Contract to create any of the foregoing;
- (kk) “**Environmental Laws**” means all Applicable Laws relating in whole or in part to the environment including those relating to the storage, generation, use, handling, manufacture, processing, transportation, import, export, treatment, Release or Disposal of any Hazardous

Substance and any laws relating to asbestos or asbestos containing materials in the environment, in the workplace or in any building;

- (ll) “**ETA**” means the *Excise Tax Act* (Canada), as amended from time to time;
- (mm) “**Financial Statements**” has the meaning set out in Section 4.14;
- (nn) “**GAAP**” means generally accepted accounting principles in effect from time to time in Canada, including those principles set forth in the Handbook published by the Canadian Institute of Chartered Accountants or any successor institute, consistently applied;
- (oo) “**Governmental Authority**” means (i) any court, judicial body or arbitral body, (ii) any domestic or foreign government whether multinational, national, federal, provincial, territorial, state, municipal or local and any governmental agency, governmental authority, governmental tribunal or governmental commission of any kind whatever, (iii) any subdivision or authority of any of the foregoing, (iv) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above, (v) any supranational or regional body such as the World Trade Organization, and (vi) any stock exchange;
- (pp) “**GST/HST**” means all taxes payable under Part IX of the ETA (including where applicable both the federal and provincial portion of those Taxes) or under any provincial legislation imposing a similar value added or multi-staged Tax, and any reference to a specific provision of the ETA or any such provincial legislation shall refer to any successor provision thereto of like or similar effect;
- (qq) “**Hazardous Substances**” means any pollutant, contaminant, waste, hazardous substance, hazardous material, toxic substance, dangerous substance or dangerous good as defined, judicially interpreted or identified in any Environmental Law;
- (rr) “**Indemnification Notice**” means written notice by an Indemnified Party to the applicable Indemnifying Party of a Third Party Claim or Direct Claim, as the case may be;
- (ss) “**Indemnified Party**” has the meaning set out in Section 10.4(a);
- (tt) “**Indemnifying Party**” has the meaning set out in Section 10.4(a);
- (uu) “**Insolvency Event**” means (a) the filing of a decree or Order for relief by a Governmental Authority in respect of the premises or any substantial part of a Party’s property in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Party or for any substantial part of its property, or ordering the winding-up or liquidation of such Party’s affairs, and such decree or Order shall remain unstayed and in effect for a period of 60 consecutive days; or (b) the commencement by such Party of a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or the consent by such Party to the entry of an Order for relief in an involuntary case under any such law, or the consent by such Party to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Party or for any substantial part of its property, or the making by such Party of any general assignment for the benefit of creditors, or the failure by such Party generally to pay its debts as such debts become due, or the taking of action by such Party in furtherance of any of the foregoing;

- (vv) **“Intellectual Property”** means, individually and collectively, howsoever created and wherever located: (i) all domestic and foreign patents and applications thereof and all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof; (ii) all inventions (whether patentable or not), invention disclosures, improvements, trade secrets, proprietary information, know-how, technology, technical data, schematics and customer lists, and all documentation relating to any of the foregoing; (iii) all copyrights, copyright registrations and applications thereof, and all other rights corresponding thereto throughout the world; (iv) all trade names, domain names, corporate names, trade dress, distinguishing guises, logos, slogans, brand names, trade-marks (whether registered or common law and whether used with wares or services and including the goodwill attaching to such trade-marks) and registrations and applications for registration thereof; (v) all computer programs, applications, databases and software (both in source code and object code form) and any proprietary rights in those computer programs, applications, databases and software, including documentation and other materials related thereto; (vi) all industrial designs and applications for and registration of industrial designs, design patents and industrial design registrations; (vii) other intellectual or industrial property whatsoever, including the intellectual property described in Section 4.8 of the Disclosure Schedule; (viii) all income, royalties, damages and payments now and hereafter due and/or payable with respect to any of the foregoing, including without limitation, damages and payments for past or future infringements or misappropriations thereof; and (ix) all rights to sue for past, present and future infringements or misappropriations of any of the foregoing, that are owned or used by the Corporation in connection with the Business;
- (ww) **“Losses”** means any and all loss, liability, obligation, damage, cost, expense, charge, fine, penalty or assessment, suffered, incurred, sustained or required to be paid by the Person seeking indemnification (including lawyers’, experts’ and consultants’ fees and expenses), directly resulting from or arising out of any Claim, including the costs and expenses of any action, suit, Proceeding, investigation, inquiry, arbitration award, grievance, demand, assessment, judgment, settlement or compromise relating thereto;
- (xx) **“Material Adverse Change”** or **“Material Adverse Effect”** means any change or effect that: individually or when taken together with all other changes or effects that have occurred during any relevant period of time before the determination of the occurrence of that change or effect, is or would reasonably be expected to be materially adverse to the Business, the Assets and the operations, liabilities, capital, condition (financial or otherwise), prospects, or results of operation of the Corporation, provided, however, that a Material Adverse Change or Material Adverse Effect does not include a change or effect caused by (i) the execution or announcement of the execution of this Agreement, (ii) general economic, financial, regulatory or market conditions affecting the Business, the Corporation or of any of their competitors (so long as the Business or the Corporation are not disproportionately affected thereby), or (iii) any changes or effects arising from matters permitted or contemplated by this Agreement or consented to or approved by the Purchaser in writing;
- (yy) **“Order”** means any order, judgment, injunction, decree, stipulation, determination, award, decision, ruling or writ of any Governmental Authority;
- (zz) **“Ordinary Course”** or **“Ordinary Course of Business”** means, with respect to an action taken by a Party, that such action is consistent with the past practices of the Party and is taken in the ordinary course of the normal day-to-day operations of the Party;
- (aaa) **“Ordinary Shares”** means the ordinary shares in the capital of the Corporation;
- (bbb) **“Outside Date”** means 29/10/2021;



- (ccc) “**Parties**” means, collectively, the Vendors, the Corporation and the Purchaser, and “**Party**” means any of them.
- (ddd) “**PCBs**” has the meaning set out in Section 4.22;
- (eee) “**Permit**” means franchises, licences, qualifications, authorizations, consents, certificates, certificates of authorization, decrees, orders-in-council, registrations, exemptions, consents, variances, waivers, filings, grants, notifications, privileges, rights, Orders, judgments, rulings, directives, permits and other approvals, obtained from, issued by or required by a Governmental Authority;
- (fff) “**Person**” shall be broadly interpreted and includes an individual, a body corporate, a partnership, a trust, an association, an unincorporated organization, a Governmental Authority, the executors, administrators or other legal representatives of an individual in such capacity and any other entity recognized by law, and pronouns have a similarly extended meaning;
- (ggg) “**Personal Information**” means any information in the possession, custody or control of either Vendor used in connection with or relating to the Business about an identifiable individual, and for greater certainty includes all such information which falls within the definition of “personal information” in any personal information protection law of Canada, or any province or territory thereof to which either Vendor is subject;
- (hhh) “**Pre-Closing Tax Period**” means any taxation period of the Corporation that commenced prior to the Closing Date, excepting the portion of any such taxation period that is subsequent to the Time of Closing;
- (iii) “**Proceeding**” means:
- (i) any suit, action, dispute, investigation, Claim, arbitration, Order, summons, citation, directive, charge, demand or prosecution, whether legal or administrative;
  - (ii) any other proceeding; or
  - (iii) any appeal or application for review;
- at law or in equity or before or by any Governmental Authority.
- (jjj) “**Purchase Price**” has the meaning set out in Section 3.1;
- (kkk) “**Purchased Shares**” means the 2,150,000 Ordinary Shares representing fifty percent (50%) of the issued and outstanding shares in the capital of the Corporation immediately prior to the Time of Closing, registered as set out in **Schedule 2**;
- (lll) “**Purchaser Indemnitees**” means the shareholders and Representatives of the Purchaser, and related Persons;
- (mmm) “**Purchaser’s Counsel**” means Borden Ladner Gervais LLP;
- (nnn) “**Release**” includes releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, migrating, escaping, leaching, disposing, dumping, depositing, spraying, burying, abandoning, incinerating, seeping or placing, or any similar action defined in any Environmental Law;

- (ooo) “**Representatives**” means, with respect to any Party, its Affiliates and, if applicable, its and their respective directors, officers, employees, agents and other representatives and advisors;
- (ppp) “**Security Interests**” means:
- (i) an interest in or right:
    - (A) reserved over property (including any retention of title to property or any right to set off or withhold payment of any deposit or other money);
    - (B) created or otherwise arising over property under a mortgage, charge, bill of sale (as defined in any relevant statute), lien, pledge, trust or right; or
    - (C) by way of security for the payment of a debt or other monetary obligation or the performance of or compliance with any other obligation;
  - (ii) any instrument or transaction which reserves, constitutes or evidences the interests and rights referred to in paragraph (i); and
  - (iii) any other interest which constitutes a security interest as that term is defined in the *Personal Property Securities Act 2009* (Cth);
- (qqq) “**Stock Option Plan**” has the meaning set out in section 4.2(b);
- (rrr) “**Tax**” or “**Taxes**” means any federal, provincial, local, foreign or other income, gross receipts, profits, franchise, transfer, sales, use, customs, payroll, occupation, health, property, excise, GST/HST, or other taxes, fees, duties, assessments, withholdings or governmental charges of any nature (including interest, penalties and additions to such taxes or charges);
- (sss) “**Tax Act**” means the *Income Tax Act* (Canada) and any regulations thereunder, as amended from time to time, and legislation of any legislature of any province or territory of Canada in force of like or similar effect;
- (ttt) “**Tax Claim**” has the meaning set out in Section 7.2(c)(i);
- (uuu) “**Tax Returns**” means all returns, reports, elections, designations, declarations, notices, filings, forms, statements slips and other documents, including any schedule or attachments thereto, filed or required to be filed by the Corporation in respect of Taxes and including any amendment thereof;
- (vvv) “**Third Party Claim**” means any Claim asserted against an Indemnified Party by any Person who is not a Party or an Affiliate of a Party;
- (www) “**Time of Closing**” means [6:30 p.m.] (Sydney Time) on the Closing Date or such other time on the Closing Date as the Parties agree in writing that the Closing shall take place; and

## 2. **Currency**

Unless otherwise indicated, all dollar amounts in this Agreement are expressed in Canadian funds.

## 3. **Sections and Headings**

The division of this Agreement into articles, sections and the insertion of headings are for convenience of reference only and shall not affect the interpretation of this Agreement. Unless otherwise indicated, any reference in this Agreement to an article, section, or Schedule refers to the specified article, section or section of or schedule to this Agreement.

#### **4. Number, Gender and Persons**

In this Agreement, words importing the singular number only shall include the plural and vice versa, words importing gender shall include all genders and words importing persons shall include individuals, corporations, partnerships, associations, trusts, unincorporated organizations, governmental bodies and other legal or business entities of any kind whatsoever.

#### **5. Entire Agreement**

This Agreement and the agreements and other documents required to be delivered pursuant hereto constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether written or oral. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof except as herein and therein provided.

#### **6. Time of Essence and Computations of Time**

Time shall be of the essence of this Agreement. In this Agreement, unless specified otherwise or the context otherwise requires:

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

#### **7. Construction**

The Parties agree that each party and its counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments or schedules thereto.

#### **8. Severability**

Any article, section or other subdivision or any other provision of this Agreement which is, is deemed to be, or becomes void, illegal, invalid or unenforceable shall be severable herefrom and ineffective to the extent of such voidability, illegality, invalidity or unenforceability, and shall not invalidate, affect or impair the remaining provisions hereof, which provisions shall be severable from any void, illegal, invalid or unenforceable article, section or other subdivision or provision.

#### **9. Applicable Law**

This Agreement shall be construed, interpreted and enforced in accordance with, and the respective rights and obligations of the Parties shall be governed by, the laws of the Province of Alberta and the federal laws of Canada applicable therein, and each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of such province and all courts competent to hear appeals therefrom except as may be otherwise agreed.

**10. Successors and Assigns**

This Agreement shall enure to the benefit of and shall be binding on and enforceable by the Parties and their respective successors and permitted assigns. Subject to Section 12.6, neither party may assign any of its rights or obligations hereunder without the prior written consent of the other party.

**11. Amendments and Waivers**

No amendment or waiver of any provision of this Agreement shall be binding on either party unless consented to in writing by such party. No waiver of any provision of this Agreement shall constitute a waiver of any other provision, nor shall any waiver constitute a continuing waiver unless otherwise provided.

**12. Knowledge**

Unless expressly stated otherwise, any reference herein to the “knowledge” or “best of knowledge” of a party means:

- (a) as to the Vendors, the actual knowledge of each of the Vendors, and as to the Corporation, the actual knowledge of each of them as applicable, after making due and reasonable inquiries, including, where required, reasonable inquiry of the officers and management employees of the Corporation who are reasonably likely to have knowledge of the matters in question; and
- (b) as to the Purchaser, the actual knowledge of the Chief Executive Officer of the Purchaser after making due inquiries.

**13. Schedules**

The following Schedules are attached to and form part of this Agreement:

Schedule 1	Definitions and Interpretation
Schedule 2	Purchased Shares
Schedule 3	Disclosure Schedule

**SCHEDULE 2  
PURCHASED SHARES**

<b>SHAREHOLDER</b>	<b>NO. OF SHARES</b>	<b>PERCENTAGE OF ISSUED AND OUTSTANDING SHARES OWNED (%)</b>	<b>CLASS</b>
SIXFOLD GROUP PTY LIMITED	518,974	24.14	ORDINARY
SPI GLOBAL PTY LIMITED	448,821	20.88	ORDINARY
10 BARCLAY INVESTMENTS	362,597	16.86	ORDINARY
THERESE-MARIE TAYLOR	239,562	11.14	ORDINARY
A.C.N. 633 626 981	182,679	8.50	ORDINARY
NICHOLAS BOBIR	154,506	7.19	ORDINARY
NATHAN TAYLOR AND THERESE-MARIE TAYLOR	124,540	5.79	ORDINARY
MICHAEL STEWART	89,810	4.18	ORDINARY
JOSHUA HARVEY	28,511	1.33	ORDINARY
	<b>2,150,000</b>	<b>100.00</b>	

**SCHEDULE 3  
DISCLOSURE SCHEDULE**