

**THIS SHARE PURCHASE AGREEMENT** is made this 3<sup>rd</sup> day of June, 2020

**BETWEEN:**

**THE SHAREHOLDERS OF HAVN RESEARCH INC., AS SET OUT AT SCHEDULE 1**

(each, a “**Vendor**” and collectively, the “**Vendors**”)

- and -

**HAVN RESEARCH INC.**, a corporation existing under the laws of the Province of British Columbia (the “**Corporation**”),

- and -

**1246780 B.C. LTD.**, a corporation existing under the laws of the Province of British Columbia (the “**Purchaser**”),

(collectively, the “**Parties**”, and each a “**Party**”)

**RECITALS:**

- A. The Vendors, collectively, legally and beneficially own and control all of the issued and outstanding common shares of the Corporation; and
- B. The Vendors wish to sell to the Purchaser, and the Purchaser wishes to purchase from the Vendors, the Purchased Shares (as defined herein), subject to the terms and conditions set forth herein.

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

## **ARTICLE 1 DEFINITIONS AND PRINCIPLES OF INTERPRETATION**

### **1.1 Definitions**

Whenever used in this Agreement, the following words and terms have the meanings set out below:

“**Accounts Payable**” means accounts payable and any other amounts due incurred during the Ordinary Course of Business, but excluding any costs and expenses related to the transactions contemplated by this Agreement, in each case as recorded as payable in the Books and Records;

“**Accrued Liabilities**” means the operating expenses relating to the Corporation Business or the Purchaser Business, as the context requires, incurred in the Ordinary Course of Business as at the given date but which are not yet been invoiced as of the given date and claims against a Party or its subsidiaries that are increasing with the passage of time or receipt of goods or services but have not been invoiced as of the Closing Time, including, but not limited to, expenses incurred in the Ordinary Course of Business;

“**Affiliate**” of any Person means, at the time such determination is being made, any other Person Controlling, Controlled by or under common Control with such first Person, in each case, whether directly or indirectly;

“**Agreement**” means this Share Purchase Agreement, including all schedules and exhibits, the Corporation Disclosure Letter and the Purchaser Disclosure Letter, and all amendments or restatements, as permitted, and references to “**Article**”, “**Section**”, “**Schedule**” or “**Exhibit**” mean the specified Article or Section of, or Schedule or Exhibit to, this Agreement;

“**Anti-Corruption Laws**” means, collectively, with respect to any Person, anti-corruption or anti-bribery laws of all jurisdictions applicable to such Person, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Authority to which such Person is subject, including, but not limited to, the *Corruption of Foreign Public Officials Act* (Canada);

“**Anti-Money Laundering Laws**” means, collectively, with respect to any Person, anti-money laundering laws of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Authority to which such Person is subject, including, but not limited to, the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada);

“**Applicable Securities Laws**” means, collectively, all applicable securities laws of each of British Columbia and the respective rules and regulations under such laws together with applicable published instruments, notices and orders of the securities regulatory authorities in British Columbia, and the rules and policies of any stock exchange and any other market or marketplace on which securities of the Purchaser are traded, listed or quoted;

“**Assets**” means the whole of the undertaking, property and assets of the Corporation, which as of the date hereof, is currently used in, and materially necessary for the conduct of the Business, including without limitation the Intellectual Property, and those assets listed in the Corporation Disclosure Letter;

“**Books and Records**” means all books, records, files, Customer and supplier lists, business reports, plans, projections, standard operating procedure manuals, and all other documentation, correspondence and other information (in whatever medium and wherever situated, including all data and information stored electronically or on computer-related media) in the possession or under the control of the Corporation;

“**Business Day**” means any day, other than a Saturday, Sunday or a statutory holiday in Vancouver, British Columbia;

“**Claims**” includes claims, demands, complaints, grievances, actions, applications, suits, causes of action, litigation, arbitration, Orders, inquiries, investigations, charges, indictments, prosecutions, informations, hearings, other civil, criminal or regulatory proceedings, whether at law or in equity other similar processes, assessments or reassessments, judgments, debts, Liabilities, penalties, fines, expenses, costs, damages or losses, contingent, inchoate or otherwise, whether disputed or undisputed, contractual, legal or equitable), and including loss or diminution of value, loss of revenue and loss of profits, professional fees, including fees and disbursements of legal counsel on a full indemnity basis, and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing;

“**Closing**” means the completion of the purchase and sale of the Purchased Shares pursuant to this Agreement;

“**Closing Date**” means the date that is five (5) Business Days after the last of the conditions to the consummation of the transactions contemplated hereby are satisfied (except for those conditions which by their terms are to be satisfied on the Closing Date), or such earlier or later date as the Purchaser and the Vendor Representative may agree in writing;

“**Closing Time**” means 9:00 a.m. Vancouver time, on the Closing Date, or such other time on such date as the Parties may agree in writing as the time at which the Closing shall take place;

“**Contracts**” means contracts, licences, leases, agreements, obligations, promises, undertakings, understandings, arrangements, documents, commitments, entitlements or engagements to which a Party is a party or by which any of them are bound or under which a Party has, or will have, any liability or contingent liability (in each case, whether written or oral, express or implied), and includes any quotations, orders, proposals or tenders which remain open for acceptance and warranties and guarantees;

“**Control**” means, in respect of:

- (a) a corporation, the ability of a Person or group of Persons acting in concert to influence the manner in which the business of such corporation is carried on, whether as a result of ownership of sufficient voting shares of such corporation to enable that Person or group of Persons to elect a majority of the directors of such corporation or by contract or otherwise;
- (b) a partnership, trust, syndicate or other entity, actual power or authority to manage and direct the affairs of, or ownership of more than fifty percent (50%) of the transferable beneficial interests in, such entity, and the term “**Controlled**” has a corresponding meaning;

“**Corporation**” has the meaning ascribed thereto in the preamble to this Agreement;

“**Corporation Business**” means the business of the Corporation, being the research and development of psychopharmacological products;

“**Corporation Disclosure Letter**” means the disclosure letter dated the date hereof regarding this Agreement that has been executed by the Corporation, the Vendors’ Representative and the Management Vendors and delivered to the Purchaser in connection with the execution of this Agreement;

“**Corporation Financial Statements**” means the audited financial statements and, if necessary, the unaudited interim financial statements of the Corporation, and includes the financial statements of any predecessor entities of the Business of the Corporation, required to be prepared in connection with the Disclosure Document and the Listing;

“**Corporation Material Adverse Effect**” means a change, effect or circumstance that, when considered either individually or in the aggregate together with all other adverse changes, effects or circumstances with respect to which such phrase is used in this Agreement, is materially adverse to, or could reasonably be expected to have a material adverse effect on, the financial condition or results of operations or prospects of the Corporation Business or the Corporation, or on the ability of the Vendors to consummate the transactions contemplated by this Agreement;

**“Customer”** means any client, patient, customer or other Person to whom the Corporation or the Purchaser, as the context requires, provides (or sells) goods or services in the Ordinary Course of Business;

**“Employees”** means individuals employed by the Corporation or the Purchaser, as the context requires, on a full-time, part-time or temporary basis, including those employees on disability leave, parental leave or other absence;

**“Encumbrances”** means any encumbrance or restriction of any kind or nature whatsoever and howsoever arising (whether registered or unregistered) and includes a security interest, mortgage, easement, adverse ownership interest, defect on title, condition, right of first refusal, right of first offer, right-of-way, encroachment, building or use restriction, conditional sale agreement, hypothec, pledge, deposit by way of security, hypothecation, assignment, charge, trust or deemed trust, voting trust or pooling agreement with respect to securities, any adverse claim, grant of any exclusive license or sole license, or any other right, option or claim of others of any kind whatsoever, and includes any agreement to give any of the foregoing in the future, and any subsequent sale or other title retention agreement or lease in the nature thereof,

**“Environment”** means the environment or natural environment as defined in any Environmental Laws;

**“Environmental Laws”** means all applicable Laws relating to public health and safety, pollution or the protection of the Environment, including Laws relating to civil responsibility for acts or omissions with respect to the Environment and relating to the storage, generation, use, handling, manufacture, processing, transportation, import, export, treatment, Release of any Hazardous Materials;

**“Environmental Permits”** means any permit or program participation requirements, sign-offs or registrations required under any Environmental Laws;

**“Escrow Arrangement”** has the meaning set out in Section 3.4;

**“Exchange”** means any of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange, or the NEO Exchange;

**“Financing”** means one or more private placements of the Purchaser to raise aggregate gross proceeds of not less than \$3,000,000, resulting in the Purchaser having no more than 110 million shares outstanding on a fully diluted basis upon Closing after giving effect to the issue of the Purchaser Shares;

**“Governmental Authorities”** means governments, regulatory authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, Crown corporations, courts, bodies, boards, tribunals or dispute settlement panels or other law, rule or regulation-making organizations or entities (including, without limitation, the Exchange):

- (c) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or
- (d) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or Taxing Authority or power;

and “Governmental Authority” means any such entity;

“**Hazardous Materials**” means any waste, special waste or other substance that is prohibited, listed, defined, designated or classified as, or otherwise determined to be, dangerous, hazardous, radioactive, explosive or toxic or a pollutant or a contaminant under or pursuant to any Environmental Laws;

“**IFRS**” means the International Financial Reporting Standards adopted by the International Accounting Standards Board from time to time;

“**Indemnified Party**” has the meaning ascribed thereto in Section 11.4;

“**Indemnifying Parties**” has the meaning ascribed thereto in Section 11.4;

“**Intellectual Property**” means (a) trademarks, service marks, trade dress, trade names, corporate names (whether or not registered), logos and domain name registrations, including all registrations and applications for registration of the foregoing and all goodwill associated therewith; (b) copyrights (whether or not registered) and registrations and applications for registration thereof, including all derivative works, moral rights, renewals, extensions, reversions or restorations associated with such copyrights, now or hereafter provided by law, regardless of the medium of fixation or means of expression; (c) trade secrets and, whether or not confidential, business information (including pricing and cost information, business and marketing plans and customer and supplier lists) and know-how (including manufacturing and production processes and techniques and research and development information); (d) industrial designs (whether or not registered); (e) databases and data collections; (f) all rights to obtain and rights to register trademarks and copyrights; (g) all rights in all of the foregoing provided by treaties, conventions and common law; and (h) all rights to sue or recover and retain damages and costs and attorneys’ fees for past, present and future infringement or misappropriation of any of the foregoing;

“**ITA**” means the *Income Tax Act* (Canada);

“**Knowledge**” has the meaning ascribed thereto in Section 1.3;

“**Laws**” means applicable laws (including common law or civil law), statutes, by-laws, rules, regulations, by-laws, constitutions, Orders, ordinances, protocols, codes, guidelines, treaties, policies, notices, directions, decrees, judgments, writs, awards or requirements, in each case of any Governmental Authority;

“**Letter of Intent**” means the letter of intent dated March 25, 2020, among Myocibin Medicine Inc. and the Corporation, as amended and subsequently assigned by Myocibin Medicine Inc. to the Purchaser;

“**Liabilities**” means all costs, expenses (including wages, vacation pay and overtime pay), charges, debts, claims, losses, damages, adverse claims, fines, penalties, demands and obligations, assessments or reassessments of any kind or nature (including any deferred or future liability for Taxes), whether primary or secondary, direct or indirect, known or unknown, asserted or unasserted, fixed, contingent or absolute, accrued or unaccrued, matured or unmatured, determined or determinable, liquidated or unliquidated, or due or to become due, and whether in contract, tort, strict liability or otherwise, voluntarily incurred or otherwise, whenever asserted, and including all costs and expenses relating thereto including all fees, disbursements and expenses of legal counsel, experts, engineers and consultants and costs of investigation, but excluding the aggregate of

Accounts Payable, and Accrued Liabilities, each valued and calculated in accordance with the applicable accounting standards of the Corporation or the Purchaser, as the context requires, and applied consistently in accordance with the applicable accounting standards of the Corporation's or the Purchaser's past practices, as the context requires;

**"Licenses"** has the meaning ascribed thereto in Section 5.10(a);

**"Listing Date"** means the date on which the Purchaser's common shares are listed on the Exchange;

**"Management Vendors"** means Robert Nygren and Barinder Rasode, and **"Management Vendor"** means either one of them;

**"Notice"** has the meaning ascribed thereto in Section 12.3;

**"Orders"** means orders, injunctions, judgments, administrative complaints, decrees, rulings, awards, assessments, directions, instructions, penalties or sanctions issued, filed or imposed by any Governmental Authority or arbitrator;

**"Ordinary Course of Business"** means, when used in relation to the conduct of the Corporation Business or the Purchaser Business, as the context requires, any action which is taken in the ordinary course of the normal day-to-day operations of such business in a prudent and business-like manner consistent with the such business's past practices;

**"Outside Date"** means September 30, 2020;

**"Parties"** means each of the Vendors, the Corporation and the Purchaser collectively, and **"Party"** means any one of them;

**"Person"** means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, Governmental Authority, and where the context requires any of the foregoing when they are acting as trustee, executor, administrator or other legal representative;

**"Pro Rata Share"** means proportionate number of Purchased Shares owned by each Vendor, as listed under Column D on Schedule 3.1.

**"Purchase Price"** has the meaning ascribed thereto in Section 3.1;

**"Purchased Shares"** means 1,000,000 common shares in the capital of the Corporation, as listed under Column B on Schedule 3.1, representing all of the issued and outstanding securities of the Corporation;

**"Purchaser"** has the meaning ascribed thereto in the preamble to this Agreement;

**"Purchaser Business"** means the business of the Purchaser, being the raising of capital to invest, directly or indirectly, in a company engaged in the research and development of psychopharmacological products;

**"Purchaser Financial Statements"** means the audited financial statements and, if necessary, the unaudited interim financial statements of the Purchaser, and includes the financial statements of

any predecessor entities of the Business of the Purchaser, required to be prepared in connection with the Disclosure Document and the Listing;

“**Purchaser Indemnified Parties**” has the meaning ascribed thereto in Section 11.1;

“**Purchaser Material Adverse Effect**” means a change, effect or circumstance that, when considered either individually or in the aggregate together with all other adverse changes, effects or circumstances with respect to which such phrase is used in this Agreement, is materially adverse to, or could reasonably be expected to have a material adverse effect on, the financial condition or results of operations or prospects of the Purchaser Business or the Purchaser, or on the ability of the Purchaser to consummate the transactions contemplated by this Agreement;

“**Purchaser Shares**” means the 15,233,333 common shares in the capital of the Purchaser to be issued to the Vendors, as set forth under Column C on Schedule 3.1;

“**Release**” has the meaning prescribed in any Environmental Laws and includes any release, spill, leak, pumping, addition, pouring, emission, emptying, discharge, injection, escape, leaching, disposal, dumping, deposit, spraying, burial, abandonment, incineration, seepage, placement or introduction, whether accidental or intentional;

“**Taxes**” includes any taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever imposed by any Governmental Authority, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority in respect thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, all licence, franchise and registration fees and all employment insurance, health insurance and Canada and other government pension plan premiums or contributions;

“**Tax Returns**” includes all returns, reports, declarations, elections, notices, filings, forms, statements and other documents (whether in tangible, electronic or other form) and including any amendments, schedules, attachments, supplements, appendices and exhibits thereto, made, prepared, filed or required to be made, prepared or filed by Law in respect of Taxes;

“**Taxing Authority**” means any federal, provincial, state, local or foreign Governmental Authority having responsibility for Taxes;

“**U.S. Person**” has the meaning set out in Rule 902(k) of Regulation S under the U.S. Securities Act;

“**U.S. Securities Act**” means the United States Securities Act of 1933, as amended;

“**Vendor Indemnified Parties**” has the meaning ascribed thereto in Section 11.3(a);

“**Vendor Nominee**” has the meaning set out in Section 7.6(a);

“**Vendors**” has the meaning ascribed thereto in the preamble to this Agreement; and

“**Vendors’ Representative**” means Robert Nygren, an individual having an address at 3800 Wesbrook Mall, Vancouver, BC, V6S 2L9.

## 1.2 Certain Rules of Interpretation

In this Agreement:

- (a) **Currency** – Unless otherwise specified, all references to money amounts are to lawful currency of Canada.
- (b) **Headings** – Headings of Articles and Sections are inserted for convenience of reference only and do not affect the construction or interpretation of this Agreement.
- (c) **Including** – Where the word “including” or “includes” is used in this Agreement, it means “including (or includes) without limitation”.
- (d) **No Strict Construction** – The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.
- (e) **Number and Gender** – Unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.
- (f) **Statutory references** – A reference to a statute includes all regulations and rules made pursuant to such statute and, unless otherwise specified, the provisions of any statute, regulation or rule which amends, supplements or supersedes any such statute, regulation or rule.
- (g) **Time** – Time is of the essence in the performance of the Parties’ respective obligations.
- (h) **Time Periods** – Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of the period is not a Business Day.

## 1.3 Knowledge

Any reference to the knowledge means,

- (a) in the case of the knowledge of the Purchaser, to the best of the knowledge, information and belief of the Purchaser after reviewing all relevant records and making due inquiries regarding the relevant matter of all relevant directors, officers and employees of the Purchaser;
- (b) in the case of the knowledge of the Corporation, to the best of the knowledge, information and belief of the Corporation after reviewing all relevant records and making due inquiries regarding the relevant matter of all relevant directors, officers and Employee, senior managers or managers of the Corporation; and



- (c) in the case of the knowledge of the Vendors, to the best of the knowledge, information and belief of each of the Vendors after reviewing all relevant records and making due inquiries.

#### **1.4 Entire Agreement**

This Agreement and the agreements and other documents required to be delivered pursuant to this Agreement (including, without limitation, the Corporation Disclosure Letter and the Purchaser Disclosure Letter), constitute the entire agreement between the Parties and set out all the covenants, promises, warranties, representations, conditions and agreements between the Parties in connection with the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, pre-contractual or otherwise, including the Letter of Intent. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, whether oral or written, pre-contractual or otherwise, express, implied or collateral between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement and any document required to be delivered pursuant to this Agreement.

#### **1.5 Schedules**

The schedules to this Agreement, listed below, are an integral part of this Agreement:

<u>Schedule</u>	<u>Description</u>
Schedule 1	– The Vendors
Schedule 3.1	– Consideration for Purchased Shares
Schedule 8.1(j)	– Investor Execution Page

### **ARTICLE 2 PURCHASE AND SALE**

#### **2.1 Purchase and Sale**

On and subject to the terms and conditions of this Agreement, at the Closing Time, the Vendors shall sell, and the Purchaser shall purchase, legal and beneficial ownership of the Purchased Shares free and clear of all Encumbrances, and with all rights and benefits attaching thereto. The Purchased Shares being sold by each of the Vendors is specified beside such Vendor's name under Column B in Schedule 3.1.

#### **2.2 Place of Closing**

The Closing shall take place at the Closing Time by way of an electronic closing in which the closing documentation will be delivered by electronic mail with exchange of signature pages in pdf or functionally equivalent electronic format, except for the delivery of original share certificates and applicable signed blank stock transfer powers on Closing.

### **ARTICLE 3 PURCHASE PRICE**

#### **3.1 Purchase Price**

The aggregate amount payable by the Purchaser for the Purchased Shares (the "**Purchase Price**") shall be deemed to be \$3,808,333, exclusive of all applicable sales and transfer Taxes, which Purchase Price shall be satisfied by the delivery of the Purchaser Shares. The portion of the Purchase Price payable to each of the Vendors is set forth on Schedule 3.1.

### 3.2 Satisfaction of Purchase Price

At the Closing Time, subject to Section 3.4 the Purchaser shall issue to the Vendors the Purchaser Shares (at a deemed issuance price of \$0.25 per share) in each case in accordance with each Vendor's Pro Rata Share in such amounts as set forth opposite such Vendor's name in Column C of Schedule 3.1, as full and final consideration for the Purchased Shares.

### 3.3 Section 85 Elections

It is intended that the transfer of the Purchased Shares to the Purchaser be, to the extent possible, on a tax-deferred basis to each of the Vendors, as applicable, for purposes of the ITA.

In order to give effect to this intention, at each Vendor's discretion, such Vendor, on the one hand, and the Purchaser, on the other hand, shall jointly execute elections under subsection 85(1) of the ITA (and any applicable provincial legislation) in respect of the transfer of the Purchased Shares from the Vendor to the Purchaser, and the Purchaser agrees to execute, within the prescribed time limits or at any other moment determined at the sole discretion of the Vendor, the prescribed election forms and any other documents required to give effect to the foregoing, upon such election forms or documents being completed by the Vendor and provided by the Vendor to the Purchaser. The Vendors and the Purchaser agree that the elected amount in such elections shall be determined by the applicable Vendor, subject to the parameters set forth in the ITA and any other applicable laws. The Purchaser will not be responsible for any Taxes, interest or penalties or any other costs or damages resulting from the failure by any Vendor to properly and accurately complete or file the necessary election forms in the form and manner and within the time prescribed by the ITA (or any applicable provincial legislation).

### 3.4 Escrow of Purchaser Shares

Each Vendor acknowledges and agrees that each Vendor's Purchaser Shares shall be subject to the following escrow arrangement (the "**Escrow Arrangement**"):

- (a) On the Listing Date, 1/10<sup>th</sup> of the pro rata Purchaser Shares set forth opposite such Vendor's name in Schedule 3.1 shall be released to such Vendor;
- (b) Six (6) months after the Listing Date, 1/6<sup>th</sup> of the remaining pro rata Purchaser Shares set forth opposite such Vendor's name in Schedule 3.1 will be released to such Vendor;
- (c) Twelve (12) months after the Listing Date, 1/5<sup>th</sup> of the remaining pro rata Purchaser Shares set forth opposite such Vendor's name in Schedule 3.1 will be released to such Vendor;
- (d) Eighteen (18) months after the Listing Date, 1/4<sup>th</sup> of the remaining pro rata Purchaser Shares set forth opposite such Vendor's name in Schedule 3.1 will be released to such Vendor;
- (e) Twenty-four (24) months after the Listing Date, 1/3<sup>rd</sup> of the remaining pro rata Purchaser Shares set forth opposite such Vendor's name in Schedule 3.1 will be released to such Vendor;
- (f) Thirty (30) months after the Listing Date, one-half of the remaining pro rata Purchaser Shares set forth opposite such Vendor's name in Schedule 3.1 will be released to such Vendor; and

- (g) Thirty-six (36) months after the Listing Date, the remaining pro rata Purchaser Shares set forth opposite such Vendor's name in Schedule 3.1 will be released to such Vendor.

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

Each Vendor severally represents and warrants, in respect of themselves only, as follows to the Purchaser each of the matters set out in this Article 4, and acknowledges and confirms that the Purchaser is relying upon the accuracy of such representations and warranties in connection with its purchase of the Purchased Shares:

##### **4.1 Status of the Vendors and Right to Sell**

- (a) The Vendor is the sole registered and beneficial owner of the Purchased Shares specified as being owned by such Vendor on Schedule 3.1 (the "**Vendor's Purchased Shares**"), with good and marketable title thereto, free and clear of all Encumbrances, such shares are validly issued and outstanding as fully paid and non-assessable securities in the capital of the Corporation and such Vendor's Purchased Shares represents all of the Purchased Shares legally or beneficially owned by such Vendor.
- (b) The Vendor holds no other shares or securities in the capital of the Corporation other than the Vendor's Purchased Shares, and it holds no right, privilege, option, warrant or agreement to purchase or otherwise acquire, directly or indirectly, any other shares or securities in the capital of the Corporation.
- (c) The Vendor is not party to any voting trust, pool agreement, escrow agreement, or other Contract with respect to the voting, redemption, sale, pledge, transfer or other disposition of the Vendor's Purchased Shares. The Vendor is not a party to any Contract of guarantee or indemnification or any similar commitment of the obligations of any other Person where enforcement against the Vendor in respect of such agreement could result in an Encumbrance on the Vendor's Purchased Shares. The Vendor's Purchased Shares are not subject to the terms of any shareholders' or similar Contract. The Vendor has the exclusive right to dispose of its Vendor's Purchased Shares as provided in this Agreement.
- (d) No Person, other than the Purchaser, has any Contract, option, understanding, or commitment, or any right or privilege (whether by law, pre-emptive right, or contractual provision) capable of becoming a Contract, option, or commitment, for the purchase or other acquisition of any of the Vendor's Purchased Shares.
- (e) The Vendor is not a "non-resident" of Canada for the purposes of the ITA.

##### **4.2 Due Authorization and Enforceability of Obligations**

- (a) If the Vendor is an individual, such Vendor has the individual legal capacity under the laws of the Province of British Columbia, the federal laws of Canada or such other jurisdiction in which he/she is resident, as applicable, to enter into this Agreement and the other agreements contemplated herein, and to and to observe and perform his/her covenants and obligations under this Agreement and the other agreements contemplated herein. If such Vendor is not an individual, such Vendor is duly incorporated and validly existing under the laws of its jurisdiction of incorporation, has the necessary corporate capacity and authority to execute and delivery this Agreement and the other agreements contemplated

herein and to observe and perform its covenants and obligations under this Agreement and the other agreements contemplated herein and has taken all necessary corporate action in respect thereof, and such non-individual Vendor is wholly owned and Controlled by an individual Vendor.

- (b) The Vendor has duly executed this Agreement, and this Agreement and the other agreements to be entered into by the Vendor pursuant hereto constitute legal, valid and binding obligations of such Vendor, enforceable against such Vendor 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.

#### **4.3 Absence of Conflicts**

The Vendor is not a party to, bound or affected by or subject to any (a) Contract, (b) charter or by-law, other constituting documents, or any resolutions of directors, shareholders or stakeholders (c) Laws, Licenses, or Orders that would be violated, contravened, offended against, breached by, or under which default would occur or an Encumbrance would be created, with or without notice or the passage of time, as a result of the execution and delivery of, or the performance of obligations under, this Agreement or any other agreement to be entered into under the terms of this Agreement.

#### **4.4 Contractual and Regulatory Approvals**

No Order, License, consent of, notice to, or filing with any Governmental Authority or other Person is required on the part of the Vendor in connection with the execution, delivery and performance of this Agreement or any other documents and agreements to be delivered under this Agreement or the performance of the obligations of the Vendor under this Agreement or any other documents and agreements to be delivered under this Agreement.

#### **4.5 Litigation**

There are no Claims by any Person or by or before any Governmental Authority, in either case, pending or threatened against or affecting the Vendor that could affect the ability of the Vendor to convey to the Purchaser full right, title and interest in and to the Purchased Shares, and there is no valid basis for any such Claim by or against the Vendor.

#### **4.6 No Purchase or Offer in United States**

The Vendor is not, and is not acquiring the Purchaser Shares for the account or benefit of, a U.S. Person under the U.S. Securities Act or for resale in the United States or to a U.S. Person in violation of United States federal or state securities laws, was not offered the Purchaser Shares in the United States, did not execute or deliver this Agreement or related documents in the United States and confirms that no act, solicitation, conduct or negotiation directly or indirectly in furtherance of the purchase of the Purchaser Shares hereunder has occurred in the United States.

The Vendor acknowledges that the Purchaser Shares have not been, nor will they be, registered under the U.S. Securities Act or the securities laws of any state, and may not be offered or sold in the United States or to a U.S. Person, unless an exemption from the registration requirements under the U.S. Securities Act and applicable state securities laws is available, and agrees not to offer, or sell the Purchaser Shares in the United States or to a U.S. Person, unless the Purchaser consents to such offer or sale and an exemption from registration under the U.S. Securities Act and applicable state securities laws is available.

#### 4.7 Acknowledgments

Each Vendor acknowledges and agrees that:

- (a) (i) no agency, Governmental Authority or other entity has made any finding or determination as to the merit for investment of, nor have any such agencies or Governmental Authorities made any recommendation or endorsement with respect to the Purchaser Shares; (ii) there is no government or other insurance covering the Purchaser Shares; and (iii) there are risks associated with the purchase of the Purchaser Shares;
- (b) the purchase of the Purchaser Shares has not been or will not be (as applicable) made through, or as a result of, and the distribution of the Purchaser Shares is not being accompanied by, a general solicitation or advertisement including articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio or television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;
- (c) no prospectus or other offering document has been filed by the Purchaser with a securities commission or other securities regulatory authority in any province of Canada, or any other jurisdiction in or outside of Canada in connection with the issuance of the Purchaser Shares, and such issuance is exempt from the prospectus requirements otherwise applicable under the provisions of Applicable Securities Laws and, as a result, in connection with its purchase of the Purchaser Shares hereunder, as applicable:
  - (i) the Vendor is restricted from using most of the protections, rights and remedies available under Applicable Securities Laws including, without limitation, statutory rights of rescission or damages;
  - (ii) the Vendor will not receive information that may otherwise be required to be provided to the Vendor under Applicable Securities Laws or contained in a prospectus prepared in accordance with Applicable Securities Laws; and
  - (iii) the Purchaser is relieved from certain obligations that would otherwise apply under such Applicable Securities Laws;
- (d) the Vendor has been advised to consult its own legal advisors with respect to trading in the Purchaser Shares and with respect to the resale restrictions imposed by Applicable Securities Laws, and acknowledges that no representation has been made respecting the applicable hold periods imposed by Applicable Securities Laws or other resale restrictions applicable to such securities which restrict the ability of the Vendor to resell the Purchaser Shares. The Vendor is solely responsible to find out what these restrictions are, and the Vendor is solely responsible (and Purchaser is in no way responsible) for compliance with applicable resale restrictions. The Vendor is aware that it may not be able to resell the Purchaser Shares except in accordance with limited exemptions under the Applicable Securities Laws and other applicable securities laws. The Vendor also acknowledges that the Purchaser Shares will be subject to the Escrow Arrangement, and may be subject to other escrow requirements pursuant to Applicable Securities Laws, including the policies of the Exchange and the Vendors agree to execute any agreements or documents required in that regard; and

- (e) the Purchaser may conduct one or more offerings or financings of securities of the Purchaser at any time following the date hereof.

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

The Corporation and each of the Management Vendors, severally represents and warrants to the Purchaser each of the matters set out in this Article 5 and acknowledges and confirms that the Purchaser is relying upon the accuracy of such representations and warranties in connection with the purchase of the Purchased Shares:

### **5.1 Incorporation and Corporate Power**

The Corporation is a corporation duly incorporated and validly existing under the laws of British Columbia. The Corporation has all necessary corporate power, authority and capacity, and has taken all necessary corporate action and has obtained all necessary approvals to own, lease and operate its Assets and property, conduct its Business as presently conducted, and to enter into and execute this Agreement and to carry out its obligations hereunder.

### **5.2 Due Authorization and Enforceability of Obligations**

The Corporation has duly executed this Agreement, and this Agreement and the other agreements to be entered into by the Corporation pursuant hereto constitute legal, valid and binding obligations of the Corporation, enforceable against the Corporation 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.

### **5.3 Capitalization; Share Ownership**

- (a) The authorized capital of the Corporation consists of an unlimited number of common shares. The Purchased Shares collectively represent, as at the Closing Date, all the issued and outstanding shares in the capital of the Corporation, and have been duly and validly issued in compliance with (i) all applicable Laws, including Applicable Securities Laws, (ii) the articles, by-laws and other constating of the Corporation, and (iii) any Contract to which the Corporation is a party or by which it is bound, and are outstanding as fully paid and non-assessable shares in the capital of the Corporation. No options, warrants or other rights to purchase shares or other securities of the Corporation and no securities or obligations convertible into or exchangeable for shares or other securities of the Corporation have been authorized or agreed to be issued or are outstanding, and except for the Purchaser's rights under this Agreement, no Person has any written or oral agreement, option or warrant, or any right or privilege (whether by Law, pre-emptive or contractual) capable of becoming such for the purchase, subscription, allotment or issuance of the unissued shares or other securities or the Assets of the Corporation.
- (b) There are no investor rights agreements, shareholders' agreements, pooling agreements, voting trusts or other similar Contracts with respect to the ownership or voting of any of the shares in the capital of the Corporation.
- (c) The Corporation does not have any subsidiaries or own or have any interest in, directly or indirectly, any shares or other ownership interest in any other Person, and the Corporation

is not a party to any Contract of any nature to acquire any such shares or other ownership interest or to acquire or lease any other business operations.

#### **5.4 Absence of Conflicts**

- (a) The execution, delivery and performance of this Agreement and each of the other agreements contemplated by or referred to herein, and the completion of the transactions contemplated hereby and thereby, will not, with or without notice or the passage of time, constitute or result in a violation, contravention, breach or default of, create an Encumbrance under, require notice to be given to any Governmental Authority pursuant to, or cause the acceleration or termination of any obligations of the Corporation or decrease of any rights or entitlements of the Corporation, under:
  - (i) the articles, bylaws or other constating documents of the Corporation;
  - (ii) any resolutions of the directors, shareholders or stakeholders of the Corporation;
  - (iii) any Contract (written or oral), instrument or understanding or other obligation or restriction applicable to or binding upon the Corporation, or to which the Corporation is a party or is otherwise affected by or subject to; and
  - (iv) any Laws, Licenses or Orders applicable to or binding upon the Corporation, or to which the Corporation is otherwise affected by or subject to.
- (b) The transactions contemplated by this Agreement, including the sale and transfer of the Purchased Shares, are not subject to any right of first refusal or other right in favour of any Person under any Law, License, Order or, to the Management Vendor's knowledge, any Contract.
- (c) The transactions contemplated by this Agreement, including the sale and transfer of the Purchased Shares will not result in the imposition of any Encumbrance upon any of the Assets or property of the Corporation or restrict, hinder, impair or limit the ability of the Corporation to conduct the Corporation Business.

#### **5.5 Officers and Directors**

The following is a complete and accurate list of all officers and directors of the Corporation.

Directors: Robert Nygren; Barinder Rasode

Officer: Susan Chapelle, President & CEO.

#### **5.6 Books and Records**

The minute books and corporate records of the Corporation are true and correct in all material respects and contain all minutes of all meetings and all resolutions of the directors (and any committees of such directors) and shareholders of the Corporation as at the date hereof and at the Closing Date will contain all minutes of all meetings and all resolutions of the directors (and any committees of such directors) and shareholders of the Corporation. True, correct and complete copies of all constating documents of the Corporation, share certificates representing the Purchased Shares and all of the resolutions adopted by the shareholders and directors of each the Corporation have been delivered to the Purchaser. The Books and Records of the

Corporation fairly and correctly disclose all transactions (including, without limitation, all issuances of securities) of the Corporation.

## **5.7 Corporation Business**

The Corporation Business is the only business carried on by the Corporation.

## **5.8 Title to Assets**

The Corporation solely owns (with good and valid title, legally and beneficially) and possesses all of its Assets and property, all of which are ordinarily located in the Province of British Columbia. The tangible Assets owned by the Corporation are in good operating condition and repair having regard to their use and age. The tangible Assets are suitable for their intended use. None of such tangible Assets is in need of maintenance or repairs, except for normal maintenance and repairs that are not material in nature or cost. Except as set forth in Schedule 5.8 of the Corporation Disclosure Letter, there are no Assets owned by any Person (other than the Corporation) that are used in connection with the Corporation Business as currently conducted.

## **5.9 Real Property**

The Corporation does not own any real or immovable property, nor is it the beneficial owner of any real property or entitled to become the registered or beneficial owner pursuant to any agreement.

## **5.10 Compliance with Laws, Licenses and Permits**

- (a) The Corporation holds all licenses, permits (including, without limitation, Environmental Permits), registrations, qualifications, authorizations, certifications consents, approvals, directives, franchises, instructions, notices, certificates, waivers, variances, exemptions, rights and entitlements (collectively, the “**Licenses**”) of the appropriate Governmental Authorities in each jurisdiction in which the nature or conduct of the Corporation Business or any part thereof or the nature of the Assets or properties of the Corporation makes such qualification necessary or desirable to enable the Corporation Business to be carried on as now conducted or to enable the Assets or properties of the Corporation to be owned, leased, and operated, including the Licenses.
- (b) Schedule 5.10 of the Corporation Disclosure Letter sets out a complete and accurate list of all Licenses.
- (c) The Licenses authorize the Corporation to, among other things, acquire, handle and use required materials to produce psychopharmacological products; grow further materials in order to extract and formulate further compounds for use in clinical trials; transfer controlled substances to authorized entities, import and export and store larger volumes onsite in the laboratory; distribute and sell pharmaceutical products containing a psychopharmacological active ingredient.
- (d) All of the Licenses are valid, subsisting, in good standing, and in full force and effect, and the Corporation and each of its directors, officers and Employees operates and has operated the Corporation Business in compliance with all terms and conditions of the Licenses. All of such Licenses are and will be as of the Closing Date in full force and effect and with no default thereunder. Neither the Corporation, nor any of its directors, officers and/or Employees has received any correspondence or notice from any Governmental Authority



alleging or asserting non-compliance with any License by the Corporation or any of its directors, officers and/or Employees and there is no Claims or other action from or by any Governmental Authority or any other Person in progress, pending, or to the Knowledge of the Corporation, threatened, that could result in the modification, suspension, termination, revocation or cancellation of, any License, and the Corporation has no Knowledge or reason to believe that any such Governmental Authority or other Person is considering or would have reasonable grounds to consider any such Claim other action.

- (e) The Corporation and each of its directors, officers and Employees has conducted and is conducting the Corporation Business in compliance in all material respects with all applicable Laws, tariffs and Orders of each jurisdiction in which it carries on Corporation Business. Neither the Corporation, nor any of its directors, officers and/or Employees has received any notice alleging or asserting non-compliance with any applicable Law, tariff or Order by the Corporation or any of its directors, officers and/or Employees, and there is no Claim or other action by or from any Governmental Authority or any other Person in progress, pending, or to the Knowledge of the Corporation, threatened, that any operation or activity of the Corporation or any of its directors, officers and/or Employees is in violation of any applicable Law, tariff or Order and the Corporation has no Knowledge or reason to believe that any such Governmental Authority or other Person is considering or would have reasonable grounds to consider any such Claim or other action. The Corporation either directly has, or indirectly on its behalf has, filed, declared, obtained, maintained or submitted all reports, documents, forms, notices, applications, records, Claims, submissions and supplements or amendments as required by each License and any applicable Law, tariff and Order and all such reports, documents, forms, notices, applications, records, Claims, submissions and supplements or amendments were complete and correct on the date filed (or were corrected or supplemented by a subsequent submission).
- (f) All facilities currently held or used by the Corporation either directly or through Contract with a third party and all protocols, procedures and processes currently employed by the Corporation or any of its Affiliates or third parties under contract with the Corporation in those facilities or elsewhere are in compliance with any and all applicable Laws or regulations in each relevant jurisdiction and all guidelines and practices enforced by any Governmental Authority.

## 5.11 Intellectual Property

- (a) Attached as Schedule 5.11 of the Corporation Disclosure Letter is a list of all Intellectual Property registered, issued, applied for, owned by, licensed to or used by the Corporation in carrying on the Corporation Business (“**Corporation Intellectual Property**”).
- (b) Except for licensed Intellectual Property, the Corporation is the sole owner and has good and marketable title to Corporation Intellectual Property (and associated rights). The Corporation has taken all steps required to secure ownership of the Corporation Intellectual Property, including but not limited to ensuring that all employees and independent contractors have assigned all right, title and interest to Corporation Intellectual Property to the Corporation, including waiving any moral rights in favour of the Corporation, as applicable.
- (c) The Corporation is not a party to or bound by any Contract or other obligation that limits or impairs its ability to use, sell, transfer, assign or convey, or that otherwise affects: (i)

any of the Corporation Intellectual Property; or (ii) any of the Intellectual Property licensed to or used by it. The Corporation is not obligated to pay any royalties, fees or other compensation to any Person in respect of its ownership, use or license of any Intellectual Property including Corporation Intellectual Property.

- (d) The Corporation's rights in the Corporation Intellectual Property are valid, subsisting and enforceable. Corporation has taken all reasonable steps to maintain the Corporation Intellectual Property and to protect and preserve the confidentiality of all trade secrets included in the Corporation Intellectual Property, including but not limited to requiring all Persons having access thereto to execute written non-disclosure agreements.
- (e) Use of the Corporation Intellectual Property, or the conduct of the Corporation Business in the ordinary course does not and will not infringe upon, misappropriate, dilute or otherwise violate the Intellectual Property rights of any Person, and to the Knowledge of the Corporation, no Person is or has infringed, misappropriated, diluted or otherwise violated any of the Intellectual Property owned by, licensed to or used by the Corporation.
- (f) There are no claims, actions, suits, proceedings, arbitrations, complaints, charges or investigations settled, pending or threatened (including in the form of offers to obtain a licence): (i) alleging any infringement, misappropriation, dilution or violation of the intellectual property of any Person by the Corporation; (ii) challenging the validity, enforceability, registrability or ownership of Corporation Intellectual Property or Corporation's rights with respect to any Corporation Intellectual Property; or (iii) by the Corporation or any other Person alleging any infringement, misappropriation, dilution or violation by any Person of the Corporation Intellectual Property. The Corporation is not subject to any outstanding or prospective order of any governmental authorities and authorized registrars (including any application or petition therefor) that does or would restrict or impair the use of any Corporation Intellectual Property.
- (g) Following Closing, the Corporation will be entitled to continue to use, practice and exercise rights in, the Corporation Intellectual Property and Intellectual Property licensed to and used by it, to the same extent and in the same manner as used, practiced and exercised by it prior to Closing without financial obligation to any Person.

#### **5.12 Product and Service Warranties.**

The Corporation has not provided to any Person any written or oral product or services warranties or guarantees.

#### **5.13 Authorizations and Consents**

There is no requirement of the Corporation to make any filing with, give any notice to, or obtain or maintain any License or the consent or authorization of any Person in connection with the completion of any of the transactions contemplated by this Agreement, the execution of this Agreement, the Closing or the performance of any of the terms and conditions of this Agreement.

#### **5.14 No Defaults**

The Corporation is not in default of any material term, covenant or condition under or in respect of any applicable Law, Order, or Contract to which it is a party or to which it or any of the Assets or property are or may be subject, and no event has occurred and is continuing, and no circumstance exists which has not

been waived, which constitutes or could result in a violation, contravention, breach or default of, create an Encumbrance under, require notice to be given to any Governmental Authority pursuant to, or cause the acceleration or termination of any obligations of the Corporation or decrease of any rights or entitlements of the Corporation, in respect of any such Law, Order or Contract.

### **5.15 Partnerships or Joint Ventures**

The Corporation is not a partner or participant in any partnership, joint venture, profit-sharing arrangement or other association of any kind and is not a party to any agreement under which the Corporation agrees to carry on any part of the Business in such manner or by which the Corporation agrees to share any revenue or profit of the Business with any other Person.

### **5.16 Employees**

- (a) A complete and accurate list of all directors, officers, Employees, consultants, contractors and agents of the Corporation, and their position, status, length of service, compensation and benefits is set forth in Schedule 5.16 of the Corporation Disclosure Letter.
- (b) The Corporation has fulfilled all requirements under applicable Laws with respect to all required deductions and withholding of amounts from their respective Employees and consultants and have remitted all such deductions and withheld amounts to the appropriate authorities at the prescribed times and has properly accounted for any Liabilities to Employees and consultants;
- (c) A complete and accurate list of all management, employment, consulting, retention or like Contracts is set forth in Schedule 5.16 of the Corporation Disclosure Letter. The Corporation does not have any management, employment, consulting, retention or like Contract or arrangement that: (i) is not terminable on the giving of reasonable notice, pay in lieu and or severance pay as prescribed by statute or at common law; or (ii) that provides for any cash payment or other compensation, benefit or entitlement exceeding the aforesaid notice period or upon the consummation of the transactions contemplated by this Agreement.
- (d) There are no bonus, deferred compensation, incentive compensation, stock purchase, stock option, severance or termination pay, hospitalization or other medical, life or other insurance, supplemental unemployment benefits, profit sharing, pension or retirement plans, agreements or arrangements of the Corporation in respect of any current or former directors, officers, Employees, consultants, contractors and agents of the Corporation.
- (e) There are no collective agreements in force with respect to Employees of the Corporation, and no collective agreement is currently being negotiated, nor has there been, or is there, any threats to organize or establish a trade union.

### **5.17 Change of Control Payments**

The Corporation is not party to any agreement, Contract, understanding or arrangement which would give rise to any change in control, severance, termination or similar payment obligation on the part of the Corporation as a result of consummating the transactions contemplated by this Agreement.

### **5.18 Environmental Matters**

To the Knowledge of the Corporation, there are no Hazardous Materials located on, at, in or under any of the immovable properties currently used by the Corporation or over which it has or had charge, management or control. The Corporation and each of its directors, officers and Employees; (a) have conducted and is conducting the Corporation Business in compliance in all material respects with all applicable Environmental Laws and all terms and conditions of all Environmental Permits, (ii) have not received any Order, request or notice from any Person alleging a violation of any Environmental Law, (iii) are not a party to any Claim, nor, to the Knowledge of the Corporation, is any Claim threatened against the Corporation, any director, officer, Employee or the Assets or property, which in either case, asserts or alleges (i) that it violated any Environmental Laws, (ii) that it is required to clean up, remove or take remedial or other response action due to the release of any Hazardous Materials, or (iii) that it is required to pay all or a portion of the cost of any past, present or future cleanup, removal or remedial or other response action which arises out of or is related to the Release of any Hazardous Materials; and (iv) is not subject to Order related to or arising out of applicable Environmental Law and, to the Knowledge of the Corporation, the Corporation has not been named or listed as a potentially responsible party by any Governmental Authority in a matter arising under any Environmental Laws.

### **5.19 Financial Statements and Systems**

The Corporation was incorporated on March 4, 2020 and has not prepared any financial statements to date.

### **5.20 Liabilities**

- (a) As of the date hereof, the Corporation does not have any outstanding Liabilities, other than the Accounts Payable and the Accrued Liabilities set out at Schedule 5.20 of the Corporation Disclosure Letter.
- (b) The Corporation has not given or agreed to give, nor is it a party to or bound by, any guarantee, surety or indemnity in respect of indebtedness, or other obligations, of any Person, or any other commitment by which either the Corporation is, or is contingently, responsible for such indebtedness or other obligations.

### **5.21 Absence of Certain Changes or Events**

Since March 4, 2020 to the date hereof, the Corporation has not, except as disclosed in Schedule 5.21 of the Corporation Disclosure Letter:

- (a) incurred any obligation or Liability (fixed or contingent), except normal trade or business obligations incurred in the Ordinary Course of Business, or in connection with the transactions contemplated hereunder;
- (b) incurred any obligation or Liability (fixed or contingent) in excess of \$25,000 (excluding reasonable costs of legal counsel incurred in connection with the transactions contemplated by this Agreement);
- (c) created any Encumbrance upon any of its properties or Assets related to the Corporation Business;
- (d) had any Employee terminate his or her employment or communicate his or her intention to do so;

- (e) sold, assigned, transferred, leased or otherwise disposed of any Assets other than in the Ordinary Course of Business;
- (f) purchased, leased or otherwise acquired any properties or Assets other than in the Ordinary Course of Business;
- (g) waived, cancelled or written off any rights, Claims or any amounts payable to the Corporation relating to the Business other than in the Ordinary Course of Business;
- (h) declared or paid any dividend or made any other distribution in respect of any of its shares of any class, or reduced its authorized capital or issued capital;
- (i) entered into any transaction, Contract, agreement or commitment requiring the Corporation to pay, or entitling the Corporation to receive more than \$25,000 (excluding reasonable costs of legal counsel incurred in connection with the transactions contemplated by this Agreement);
- (j) entered into any transaction, Contract, agreement or commitment other than in the Ordinary Course of Business;
- (k) terminated, discontinued, closed or disposed of any office, facility, operation or Contract relating to the Business;
- (l) had any material Customer of the Corporation Business terminate, or, to the Knowledge of the Management Vendor, communicate the intention or threat to terminate, its relationship with the Corporation, or the intention to substantially reduce the quantity of products or services it purchases from the Corporation, or its dissatisfaction with the products or services supplied by the Corporation;
- (m) had any material supplier of the Business terminate, or, to the Knowledge of the Management Vendor, communicate the intention or threat to terminate, its relationship with the Corporation, or the intention to substantially reduce the quantity of products or services it sells to the Corporation;
- (n) made any material change with respect to any method of management, operation or accounting in respect of the Corporation Business;
- (o) changed or modified the terms and conditions of employment of any Employees including increasing any form of compensation or other benefits payable or to become payable to any of the Employees, other than changes in the Ordinary Course of Business;
- (p) changed any remuneration payable or benefits provided to any officer, director, consultant or agent of the Corporation Business;
- (q) suffered any extraordinary losses;
- (r) incurred or suffered any Material Adverse Effect, or become aware of, any event or condition that would, or could reasonably be expected to, result in a Material Adverse Effect; or
- (s) authorized, agreed or otherwise become committed to do any of the foregoing.

## **5.22 Insolvency**

No act or proceeding has been taken by or against the Corporation in connection with its liquidation, winding-up or bankruptcy, including without limitation, that the Corporation has not committed an act of bankruptcy or sought protection from the creditors thereof before any court or pursuant to any legislation, proposed a compromise or arrangement to the creditors thereof generally, taken any proceeding with respect to a compromise or arrangement, taken any action to be declared bankrupt or wound up, taken any action to have a receiver appointed of any of the Assets thereof, had any person holding any Encumbrance, lien, charge, hypothec, pledge, mortgage, title retention agreement or other security interest or receiver take possession of any of the property thereof, had an execution or distress become enforceable or levied upon any portion of the property thereof or had any petition for a receiving order in bankruptcy filed against it.

## **5.23 No Contemplated Changes**

The Corporation has not approved or has entered into any agreement in respect of (a) the purchase of material Assets or any interest therein or, the sale, transfer or other disposition of any material portion of its Assets or any interest therein currently owned, directly or indirectly, by the Corporation whether by asset sale, transfer of shares or otherwise; or (b) the change of control (by sale or transfer of shares or sale of all or substantially all of the property and Assets of the Corporation) of the Corporation.

## **5.24 Litigation**

- (a) There are no Claims, investigations or other proceedings, including appeals and applications for review, in progress, or, to the Knowledge of the Management Vendor, pending or threatened against or relating to the Corporation before any Governmental Authority, which, if determined adversely to the Corporation, would, (i) have a Material Adverse Effect; (ii) enjoin, restrict or prohibit the transfer of all or any part of the Purchased Shares as contemplated by this Agreement; (iii) delay, restrict or prevent the Management Vendor or, to the Knowledge of the Management Vendor, the Corporation, from fulfilling any of its obligations set out in this Agreement or arising from this Agreement; or (iv) the right of the Corporation to conduct its operations and carry on the Business in the ordinary course consistent with past practice, and to the Knowledge of the Management Vendor, there is no existing ground on which any such action, suit, litigation or proceeding might be commenced with any reasonable likelihood of success.
- (b) There is no judgment, decree, injunction, rule or Order of any Governmental Authority or arbitrator outstanding against the Corporation. Neither the Corporation has undergone in the last five years nor is currently undergoing, any audit, review, inspection, investigation, survey or examination of records by a Governmental Authority relating to the Business.

## **5.25 Accruals**

All material accruals for unpaid vacation pay, premiums for unemployment insurance, health premiums, federal, state, provincial or local pension plan premiums, accrued wages, salaries and commissions and payments for any plan for any officer, director, Employee or consultant of the Corporation have been accurately reflected in the Books and Records of the Corporation.

## **5.26 Non-Arm's Length Transactions**

The Corporation does not owe any amount to, nor has the Corporation any present loans to, or borrowed any amount from or is otherwise indebted to, any officer, director, Employee or securityholder of the

Corporation or any person not dealing at “arm’s length” (as such term is defined in the ITA) with any of them except for usual Employee reimbursements and compensation paid or other advances of funds in the Ordinary Course of Business of the Corporation. Except usual Employee or consulting arrangements made in the Ordinary Course of Business, the Corporation is not a party to any contract, agreement or understanding with any officer, director, Employee or securityholder of the Corporation or any other person not dealing at arm’s length with any of them. No officer, director or Employee of the Corporation and no Person which is an Affiliate or associate of any of the foregoing persons, owns, directly or indirectly, any interest (except for shares representing less than 5% of the outstanding shares of any class or series of any publicly traded company) in, or is an officer, director, Employee or consultant of, any person which is, or is engaged in, a business competitive with the Business of the Corporation which could have a Material Adverse Effect on the ability to properly perform the services to be performed by such person for the Corporation. No officer, director, Employee or securityholder of the Corporation has any cause of action or other Claim whatsoever against, or owes any amount to the Corporation except for Claims in the Ordinary Course of Business of the Corporation.

### **5.27 Tax Matters**

- (a) The Corporation has duly and timely made or prepared all Tax Returns required to be made or prepared by it, has duly and timely filed all Tax Returns required to be filed by it with the appropriate Governmental Authority and has duly, completely and correctly, in all material respects, reported all income and all other amounts and information required to be reported thereon, and all such Tax Returns are true, correct and complete in all material respects.
- (b) The Corporation has duly and timely paid all Taxes, including all instalments on account of Taxes for the current year, that are due and payable by it whether or not assessed by the appropriate Governmental Authority or shown on any Tax Return. Provision has been made on the balance sheet for amounts at least equal to the amount of all Taxes owing by the Corporation that were not yet due and payable by the date of the balance sheet and that relate to periods ending on or prior to the date of the balance sheet. Provision will be made on Financial Statements for amounts at least equal to the amount of all Taxes owing by the Corporation that will not be due and payable by the Closing Date and that relate to periods ending on or prior to the Closing Date.
- (c) 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.
- (d) The Corporation has not made, prepared and/or filed any elections, designations or similar filings relating to Taxes or entered into any agreement or other arrangement in respect of Taxes or Tax Returns that has effect for any period ending after the Closing Date.
- (e) If applicable, all income, sales (including goods and services, harmonized sales and provincial or territorial sales) and capital tax Liabilities of the Corporation have been assessed by the relevant Governmental Authorities and notices of assessment have been issued to each such entity by the relevant Governmental Authorities for all taxation periods ending at any time up to and including the Closing Date.

- (f) There are no proceedings, investigations, audits or Claims now pending or, to the Knowledge of the Corporation, threatened against the Corporation in respect of any Taxes and, to the Knowledge of the Corporation, there are no matters under discussion, audit or appeal with any Governmental Authority relating to Taxes.
- (g) The Corporation has duly and timely withheld all Taxes and other amounts required by Law to be withheld by it (including Taxes and other amounts required to be withheld by it in respect of any amount paid or credited or deemed to be paid or credited by it to or for the account or benefit of any Person, including any Employee, officer or director and any non-resident Person), and has duly and timely remitted to the appropriate Governmental Authority such Taxes and other amounts required by Law to be remitted by it.
- (h) 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. All input tax credits claimed by the Corporation for purposes of the goods and services tax and harmonized sales tax were calculated in accordance with applicable Law. The Corporation has complied with all registration, reporting, payment, collection and remittance requirements in respect of the goods and services tax and harmonized sales tax (and, where applicable, any similar provincial or foreign Tax).
- (i) None of sections 15, 78, 80, 80.01, 80.02, 80.03 or 80.04 of the ITA, or any equivalent provision of the Tax legislation of any province or any other jurisdiction, have applied or will apply to the Corporation at any time up to and including the Closing Date, and there are no circumstances existing which could result in the application of such provisions to the Corporation.
- (j) The Corporation is not subject to Liability for Taxes of any other person. The Corporation has not acquired property from a non-arm's length Person, within the meaning of the ITA, for consideration, the value of which is less than the fair market value of the property acquired in circumstances which could subject it to a liability under section 160 of the ITA. The Corporation has not entered into any agreement with, or provided any undertaking or indemnity to, any person pursuant to which it has assumed Liability for the payment of Taxes owing by such person.
- (k) The Corporation has not claimed any reserve or deduction for Tax purposes if, as a result of such claim, any amount could be included in its income for any period ending after the Closing Time.
- (l) All Tax credits and refunds, including refundable and non-refundable investment Tax credits in respect of mineral exploration claimed by the Corporation, if any, were claimed and calculated in accordance with applicable Law and accepted practices of the applicable Governmental Authority.
- (m) The Corporation has never made an "excessive eligible dividend designation" as defined in the ITA (or any similar provision of state, local or foreign Law).
- (n) With respect to the declaration and payment of all dividends on or prior to the Closing Date that were designated to be capital dividends (as provided pursuant to subsection 83(2) of the ITA), then (i) all such dividends so designated were recorded on Form T2054 (as



prescribed under the regulations to the ITA) and which Form T2054 was filed with the Canada Revenue Agency (and any applicable provincial Governmental Authority) in the prescribed manner on or before the particular time on which any part of the dividend was paid; and (ii) as a consequence of the declaration of such capital dividends and the filing of the Form T2054, the Corporation is not subject to any Tax pursuant to the provisions of Part III of the ITA (or the applicable provisions of a provincial Tax statute).

### **5.28 Bank Accounts**

Schedule 5.28 of the Corporation Disclosure Letter sets forth a true, correct and complete list of all of the bank accounts of the Corporation, including account details and branch locations.

### **5.29 Broker and Finder's Fees**

The Corporation does not owe nor is it aware of any claim for any broker, agency, finder's fee or commission in connection with the transactions contemplated by this Agreement payable by any the Vendors or the Corporation.

### **5.30 Compliance with Anti-Corruption Laws**

The Corporation nor any director, officer, Employee, agent or other Person acting on behalf of the Corporation has, in relation to the Corporation Business:

- (a) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity;
- (b) made any direct or indirect unlawful payment to any foreign or domestic Governmental Authorities from corporate funds;
- (c) violated or is in violation of any provision of Anti-Corruption Laws applicable to the Corporation;
- (d) made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment in violation of any Anti-Corruption Laws; or
- (e) employed any government or political official of any country to act on behalf of the Corporation.

No action, suit or proceeding by or before any Governmental Authority or any arbitrator involving the Corporation with respect to Anti-Corruption Laws is pending or, to the Knowledge of the Management Vendor, threatened.

### **5.31 Compliance with Anti-Money Laundering Laws**

The Corporation Business has been conducted in compliance with Anti-Money Laundering Laws applicable to the Corporation and no action, suit, or proceeding by or before any Governmental Authority or any arbitrator involving the Corporation with respect to Anti-Money Laundering Laws is pending or, to the Knowledge of the Management Vendor, threatened.

### **5.32 Non-Reporting Issuer**

The Corporation is not a "reporting issuer" within the meaning of the *Securities Act* (British Columbia).

### **5.33 Contracts**

Any and all Contracts to which the Corporation is a party are disclosed in Schedule 5.33 of the Corporation Disclosure Letter. Each such Contract is effective and in good standing. The Corporation has performed all of the obligations required to be performed by it up to the date hereof and is entitled to all benefits under each, and has not been notified verbally or in writing of any allegation of default of any such Contract. There are no circumstances which after notice or lapse of time would constitute a breach of any Contract and, to the Knowledge of the Management Vendor, no counterparty to any such Contract is in breach thereof.

### **5.34 Material Facts Disclosed**

None of the representations and warranties in this Article 5 and no document furnished by or on behalf of the Corporation to the Purchaser in connection with the negotiation of the transaction contemplated by this Agreement contains any untrue statement of a material fact or omits to state any material fact necessary to make any such statement or representation not misleading. To the Knowledge of the Management Vendor, there are no facts not disclosed in this Agreement which, if learned by the Purchaser, might reasonably be expected to materially diminish the Purchaser's evaluation of the value of the Purchased Shares, the Corporation or which, if learned by the Purchaser, might reasonably be expected to deter the Purchaser from completing the purchase of the Purchased Shares on the terms of this Agreement.

## **ARTICLE 6 REPRESENTATIONS AND WARRANTIES OF PURCHASER**

The Purchaser represents and warrants to the Vendors each of the matters set out below, effective as at the Closing Date, and acknowledges and confirms that the Vendors are relying upon the accuracy of such representations and warranties in connection with the sale of the Purchased Shares.

### **6.1 Incorporation and Corporate Power**

The Purchaser is a corporation duly incorporated and validly existing under the laws of British Columbia. The Purchaser has all necessary corporate power, authority and capacity, and has taken all necessary corporate action and has obtained all necessary approvals to own, lease and operate its Assets and property, conduct its Business as presently conducted, and to enter into and execute this Agreement and to carry out its obligations hereunder.

### **6.2 Purchaser Shares**

The Purchaser Shares to be issued to the Vendors will, when issued in accordance with the terms of this Agreement, be duly authorized and validly issued as fully paid and non-assessable shares in the capital of the Purchaser.

### **6.3 Due Authorization and Enforceability of Obligations**

The Purchaser has all necessary corporate power, authority and capacity to enter into this Agreement and the other agreements contemplated herein and to carry out its obligations hereunder and thereunder, inclusive of issuing the Purchaser Shares. The execution and delivery of this Agreement, and the other agreements to be entered into by the Purchaser pursuant hereto, and the consummation of the transactions contemplated by this Agreement have been duly authorized by all necessary corporate action of the Purchaser. This Agreement and the other agreements to be entered into by the Purchaser pursuant hereto constitute legal, valid and binding obligations of the Purchaser 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.

#### **6.4 Officers and Directors**

The following is a complete and accurate list of all officers and directors of the Purchaser.

Directors: Eli Dusenbury

Officers: Eli Dusenbury and Tim Moore

#### **6.5 Capitalization; Share Ownership**

- (a) The authorized capital of the Purchaser consists of an unlimited number of common shares. Schedule 6.5 sets forth the number common shares of the Purchaser that are issued and outstanding as at the date of this Agreement, which such shares are registered and beneficially owned by the persons set forth in Schedule 6.5 of the Purchaser Disclosure Letter. All such shares have been duly and validly issued in compliance with (i) all applicable Laws, including Applicable Securities Laws, (ii) the articles, by-laws and other constating of the Purchaser, and (iii) any Contract to which the Purchaser is a party or by which it is bound, and are outstanding as fully paid and non-assessable shares in the capital of the Purchaser. No options, warrants or other rights to purchase shares or other securities of the Purchaser and no securities or obligations convertible into or exchangeable for shares or other securities of the Purchaser have been authorized or agreed to be issued or are outstanding as at the date of this Agreement, other than as set forth in Schedule 6.5 of the Purchaser Disclosure Letter, and other than: (x) in connection with the Financing; (y) as set forth in Schedule 6.5 of the Purchaser Disclosure Letter; and (z) the Vendor's rights under this Agreement, no Person has any written or oral agreement, option or warrant, or any right or privilege (whether by Law, pre-emptive or contractual) capable of becoming such for the purchase, subscription, allotment or issuance of the unissued shares or other securities or the Assets of the Purchaser.
- (b) As of the Closing, after giving effect to the issuance of the Purchaser Shares and any Common Shares or other securities issued in connection with the Financing, the Purchaser shall have outstanding not more than 110,000,000 Common Shares, on a fully diluted basis (after giving effect to the exercise all options or warrants, or any rights or privileges (whether by Law, pre-emptive or contractual) capable of becoming such for the purchase, subscription, allotment or issuance of the unissued shares or other securities of the Purchaser).
- (c) There are no investor rights agreements, shareholders' agreements, pooling agreements, voting trusts or other similar Contracts with respect to the ownership or voting of any of the shares in the capital of the Purchaser, other than as set forth in Schedule 6.5 of the Purchaser Disclosure Letter.
- (d) The Purchaser does not have any subsidiaries or own or have any interest in, directly or indirectly, any shares or other ownership interest in any other Person, and the Purchaser is not a party to any Contract of any nature to acquire any such shares or other ownership interest or to acquire or lease any other business operations.

## **6.6 Non-Reporting Status and Securities Laws Matters**

The Purchaser is not a “reporting issuer” within the meaning of the *Securities Act* (British Columbia). The Purchaser is in compliance, in all material respects, with all Applicable Securities Laws and there are no current, pending or, to the Knowledge of the Purchaser, threatened proceedings before any Governmental Authority relating to any alleged non-compliance with any Applicable Securities Laws. The Purchaser has, or will at the Closing Time have, received all required consents and approvals from any Canadian Governmental Authorities for the issuance of the Purchaser Shares.

## **6.7 Absence of Conflicts**

- (a) The execution, delivery and performance of this Agreement and each of the other agreements contemplated by or referred to herein, and the completion of the transactions contemplated hereby and thereby, will not, with or without notice or the passage of time, constitute or result in a violation, contravention, breach or default of, create an Encumbrance under, require notice to be given to any Governmental Authority pursuant to, or cause the acceleration or termination of any obligations of the Purchaser or decrease of any rights or entitlements of the Purchaser, under:
  - (i) the articles, bylaws or other constating documents of the Purchaser;
  - (ii) any resolutions of the directors, shareholders or stakeholders of the Purchaser;
  - (iii) any Contract (written or oral), instrument or understanding or other obligation or restriction applicable to or binding upon the Purchaser, or to which the Purchaser is a party or is otherwise affected by or subject to; and
  - (iv) any Laws, Licenses or Orders applicable to or binding upon the Purchaser, or to which the Purchaser is otherwise affected by or subject to.
- (b) The transactions contemplated by this Agreement, including the issue of the Purchaser Shares, are not, subject to any right of first refusal or other right in favour of any Person under any Law, License, Order or, to the Purchaser’s knowledge, any Contract.
- (c) The transactions contemplated by this Agreement, including the issue of the Purchaser Shares will not result in the imposition of any Encumbrance upon any of the Assets or property of the Purchaser or restrict, hinder, impair or limit the ability of the Purchaser to conduct the Purchaser Business.

## **6.8 Purchaser Business**

The Purchaser Business is the only business carried on by the Purchaser.

## **6.9 Title to Assets**

The Purchaser does not own or possess any material Assets.

## **6.10 Real Property**

The Purchaser does not own any real or immovable property, nor is it the beneficial owner of any real property or entitled to become the registered or beneficial owner pursuant to any agreement.

### **6.11 Compliance with Laws, Licenses and Permits**

- (a) There are no material Licenses required in connection with the conduct of the Purchaser Business as currently conducted.
- (b) The Purchaser and each of its directors, officers and Employees has conducted and is conducting the Purchaser Business in compliance in all material respects with all applicable Laws, tariffs and Orders of each jurisdiction in which it carries on Purchaser Business. Neither the Purchaser, nor any of its directors, officers and/or Employees has received any notice alleging or asserting non-compliance with any applicable Law, tariff or Order by the Purchaser or any of its directors, officers and/or Employees, and there is no Claim or other action by or from any Governmental Authority or any other Person in progress, pending, or to the Knowledge of the Purchaser, threatened, that any operation or activity of the Purchaser or any of its directors, officers and/or Employees is in violation of any applicable Law, tariff or Order and the Purchaser has no Knowledge or reason to believe that any such Governmental Authority or other Person is considering or would have reasonable grounds to consider any such Claim or other action. The Purchaser either directly has, or indirectly on its behalf has, filed, declared, obtained, maintained or submitted all reports, documents, forms, notices, applications, records, Claims, submissions and supplements or amendments as required by any applicable Law, tariff and Order and all such reports, documents, forms, notices, applications, records, Claims, submissions and supplements or amendments were complete and correct on the date filed (or were corrected or supplemented by a subsequent submission).

### **6.12 Intellectual Property**

The Purchaser has not registered, been issued, applied for, and does not otherwise own or license any Intellectual Property.

### **6.13 Product and Service Warranties.**

The Purchaser has not provided to any Person any written or oral product or services warranties or guarantees.

### **6.14 Authorizations and Consents**

There is no requirement of the Purchaser to make any filing with, give any notice to, or obtain or maintain any License or the consent or authorization of any Person in connection with the completion of any of the transactions contemplated by this Agreement, the execution of this Agreement, the Closing or the performance of any of the terms and conditions of this Agreement.

### **6.15 No Defaults**

The Purchaser is not in default of any material term, covenant or condition under or in respect of any applicable Law, Order, or Contract to which it is a party or to which it or any of the Assets or property are or may be subject, and no event has occurred and is continuing, and no circumstance exists which has not been waived, which constitutes or could result in a violation, contravention, breach or default of, create an Encumbrance under, require notice to be given to any Governmental Authority pursuant to, or cause the acceleration or termination of any obligations of the Purchaser or decrease of any rights or entitlements of the Purchaser, in respect of any such Law, Order or Contract.

## **6.16 Partnerships or Joint Ventures**

The Purchaser is not a partner or participant in any partnership, joint venture, profit-sharing arrangement or other association of any kind and is not a party to any agreement under which the Purchaser agrees to carry on any part of the Purchaser Business in such manner or by which the Purchaser agrees to share any revenue or profit of the Purchaser Business with any other Person.

## **6.17 Employees**

- (a) A complete and accurate list of all directors, officers, Employees, consultants, contractors and agents of the Purchaser, and their position, status, length of service, compensation and benefits is set forth in Schedule 6.17 of the Purchaser Disclosure Letter.
- (b) The Purchaser has fulfilled all requirements under applicable Laws with respect to all required deductions and withholding of amounts from its Employees and consultants and have remitted all such deductions and withheld amounts to the appropriate authorities at the prescribed times and has properly accounted for any Liabilities to Employees and consultants.
- (c) A complete and accurate list of all management, employment, consulting, retention or like Contracts is set forth in Schedule 6.17 of the Purchaser Disclosure Letter. Except as set forth in Schedule 6.17 of the Purchaser Disclosure Letter, the Purchaser does not have any management, employment, consulting, retention or like Contract or arrangement that: (i) is not terminable on the giving of reasonable notice, pay in lieu and or severance pay as prescribed by statute or at common law; or (ii) that provides for any cash payment or other compensation, benefit or entitlement exceeding the aforesaid notice period or upon the consummation of the transactions contemplated by this Agreement.
- (d) Except as set forth in Schedule 6.17 of the Purchaser Disclosure Letter, there are no bonus, deferred compensation, incentive compensation, stock purchase, stock option, severance or termination pay, hospitalization or other medical, life or other insurance, supplemental unemployment benefits, profit sharing, pension or retirement plans, agreements or arrangements of the Purchaser in respect of any current or former directors, officers, Employees, consultants, contractors and agents of the Purchaser.
- (e) There are no collective agreements in force with respect to Employees of the Purchaser, and no collective agreement is currently being negotiated, nor has there been, or is there, any threats to organize or establish a trade union.

## **6.18 Change of Control Payments**

The Purchaser is not party to any agreement, Contract, understanding or arrangement which would give rise to any change in control, severance, termination or similar payment obligation on the part of the Purchaser as a result of consummating the transactions contemplated by this Agreement.

## **6.19 Environmental Matters**

To the Knowledge of the Purchaser, there are no Hazardous Materials located on, at, in or under any of the immovable properties currently used by the Purchaser or over which it has or had charge, management or control. The Purchaser and each of its directors, officers and Employees; (a) have conducted and is conducting the Purchaser Business in compliance in all material respects with all applicable Environmental

Laws and all terms and conditions of all Environmental Permits, (ii) have not received any Order, request or notice from any Person alleging a violation of any Environmental Law, (iii) are not a party to any Claim, nor, to the Knowledge of the Purchaser, is any Claim threatened against the Purchaser, any director, officer, Employee or the Assets or property, which in either case, asserts or alleges (i) that it violated any Environmental Laws, (ii) that it is required to clean up, remove or take remedial or other response action due to the release of any Hazardous Materials, or (iii) that it is required to pay all or a portion of the cost of any past, present or future cleanup, removal or remedial or other response action which arises out of or is related to the Release of any Hazardous Materials; and (iv) is not subject to Order related to or arising out of applicable Environmental Law and, to the Knowledge of the Purchaser, the Purchaser has not been named or listed as a potentially responsible party by any Governmental Authority in a matter arising under any Environmental Laws.

#### **6.20 Financial Statements and Systems**

The Purchaser was incorporated on April 8, 2020 and has not prepared any financial statements to date.

#### **6.21 Liabilities**

- (a) As of the date hereof, the Purchaser does not have any outstanding Liabilities, other than the Accounts Payable and the Accrued Liabilities set out at Schedule 6.21 of the Purchaser Disclosure Letter.
- (b) The Purchaser has not given or agreed to give, nor is it a party to or bound by, any guarantee, surety or indemnity in respect of indebtedness, or other obligations, of any Person, or any other commitment by which either the Purchaser is, or is contingently, responsible for such indebtedness or other obligations.

#### **6.22 Absence of Certain Changes or Events**

Since April 8, 2020 to the date hereof, the Purchaser has not, except as disclosed in Schedule 6.22 of the Purchaser Disclosure Letter:

- (a) incurred any obligation or Liability (fixed or contingent), except normal trade or business obligations incurred in the Ordinary Course of Business or in connection with the transaction contemplated hereunder;
- (b) created any Encumbrance upon any of its properties or Assets related to the Purchaser Business;
- (c) had any Employee terminate his or her employment or communicate his or her intention to do so;
- (d) sold, assigned, transferred, leased or otherwise disposed of any Assets other than in the Ordinary Course of Business;
- (e) purchased, leased or otherwise acquired any properties or Assets other than in the Ordinary Course of Business;
- (f) waived, cancelled or written off any rights, Claims or any amounts payable to the Purchaser relating to the Business other than in the Ordinary Course of Business;

- (g) declared or paid any dividend or made any other distribution in respect of any of its shares of any class, or reduced its authorized capital or issued capital;
- (h) entered into any transaction, Contract, agreement or commitment other than in the Ordinary Course of Business;
- (i) terminated, discontinued, closed or disposed of any office, facility, operation or Contract relating to the Business;
- (j) had any material Customer of the Purchaser Business terminate, or, to the Knowledge of the Purchaser, communicate the intention or threat to terminate, its relationship with the Purchaser, or the intention to substantially reduce the quantity of products or services it purchases from the Purchaser, or its dissatisfaction with the products or services supplied by the Purchaser;
- (k) had any material supplier of the Business terminate, or, to the Knowledge of the Purchaser, communicate the intention or threat to terminate, its relationship with the Purchaser, or the intention to substantially reduce the quantity of products or services it sells to the Purchaser;
- (l) made any material change with respect to any method of management, operation or accounting in respect of the Purchaser Business;
- (m) changed or modified the terms and conditions of employment of any Employee including increasing any form of compensation or other benefits payable or to become payable to any of the Employees, other than changes in the Ordinary Course of Business;
- (n) changed any remuneration payable or benefits provided to any officer, director, consultant or agent of the Purchaser Business;
- (o) suffered any extraordinary losses;
- (p) incurred or suffered any Material Adverse Effect, or become aware of, any event or condition that would, or could reasonably be expected to, result in a Material Adverse Effect; or
- (q) authorized, agreed or otherwise become committed to do any of the foregoing.

### **6.23 Books and Records**

The minute books and corporate records of the Purchaser are true and correct in all material respects and contain all minutes of all meetings and all resolutions of the directors (and any committees of such directors) and shareholders of the Purchaser as at the date hereof and at the Closing Date will contain all minutes of all meetings and all resolutions of the directors (and any committees of such directors) and shareholders of the Purchaser. True, correct and complete copies of all constating documents of the Purchaser, share certificates representing the Purchased Shares and all of the resolutions adopted by the shareholders and directors of each the Purchaser have been delivered to the Purchaser. The Books and Records of the Purchaser fairly and correctly disclose all transactions (including, without limitation, all issuances of securities) of the Purchaser.



#### **6.24 Insolvency**

No act or proceeding has been taken by or against the Purchaser in connection with its liquidation, winding-up or bankruptcy, including without limitation, that the Purchaser has not committed an act of bankruptcy or sought protection from the creditors thereof before any court or pursuant to any legislation, proposed a compromise or arrangement to the creditors thereof generally, taken any proceeding with respect to a compromise or arrangement, taken any action to be declared bankrupt or wound up, taken any action to have a receiver appointed of any of the Assets thereof, had any person holding any Encumbrance, lien, charge, hypothec, pledge, mortgage, title retention agreement or other security interest or receiver take possession of any of the property thereof, had an execution or distress become enforceable or levied upon any portion of the property thereof or had any petition for a receiving order in bankruptcy filed against it.

#### **6.25 No Contemplated Changes**

Except in connection with the Financing, and the transactions contemplated by this Agreement, the Purchaser has not approved nor has it entered into any agreement in respect of the purchase of material Assets or any interest therein or, the sale, transfer or other disposition of any material portion of its Assets or any interest therein currently owned, directly or indirectly, by the Purchaser whether by asset sale, transfer of shares or otherwise; or (b) the change of control (by sale or transfer of shares or sale of all or substantially all of the property and Assets of the Purchaser) of the Purchaser.

#### **6.26 Litigation**

- (a) There are no Claims, investigations or other proceedings, including appeals and applications for review, in progress, or, to the Knowledge of the Purchaser, pending or threatened against or relating to the Purchaser before any Governmental Authority, which, if determined adversely to the Purchaser, would, (i) have a Material Adverse Effect; (ii) enjoin, restrict or prohibit the transfer of all or any part of the Purchased Shares as contemplated by this Agreement; (iii) delay, restrict or prevent the Purchaser from fulfilling any of its obligations set out in this Agreement or arising from this Agreement; or (iv) the right of the Purchaser to conduct its operations and carry on the Business in the ordinary course consistent with past practice, and the Purchaser has no Knowledge of any existing ground on which any such action, suit, litigation or proceeding might be commenced with any reasonable likelihood of success.
- (b) There is no judgment, decree, injunction, rule or Order of any Governmental Authority or arbitrator outstanding against the Purchaser. Neither the Purchaser has undergone in the last five years nor is currently undergoing, any audit, review, inspection, investigation, survey or examination of records by a Governmental Authority relating to the Business.

#### **6.27 Accruals**

All material accruals for unpaid vacation pay, premiums for unemployment insurance, health premiums, federal, state, provincial or local pension plan premiums, accrued wages, salaries and commissions and payments for any plan for any officer, director, Employee or consultant of the Purchaser have been accurately reflected in the Books and Records of the Purchaser.

#### **6.28 Non-Arm's Length Transactions**

The Purchaser does not owe any amount to, nor has the Purchaser any present loans to, or borrowed any amount from or is otherwise indebted to, any officer, director, Employee or securityholder of the Purchaser

or any person not dealing at “arm’s length” (as such term is defined in the ITA) with any of them except for usual Employee reimbursements and compensation paid or other advances of funds in the Ordinary Course of Business of the Purchaser. Except usual Employee or consulting arrangements made in the Ordinary Course of Business, the Purchaser is not a party to any contract, agreement or understanding with any officer, director, Employee or securityholder of the Purchaser or any other person not dealing at arm’s length with any of them. No officer, director, Employee or securityholder of the Purchaser has any cause of action or other Claim whatsoever against, or owes any amount to the Purchaser except for Claims in the Ordinary Course of Business of the Purchaser.

## **6.29 Tax Matters**

- (a) The Purchaser has duly and timely made or prepared all Tax Returns required to be made or prepared by it, has duly and timely filed all Tax Returns required to be filed by it with the appropriate Governmental Authority and has duly, completely and correctly, in all material respects, reported all income and all other amounts and information required to be reported thereon, and all such Tax Returns are true, correct and complete in all material respects.
- (b) The Purchaser has duly and timely paid all Taxes, including all instalments on account of Taxes for the current year, that are due and payable by it whether or not assessed by the appropriate Governmental Authority or shown on any Tax Return. Provision has been made on the balance sheet for amounts at least equal to the amount of all Taxes owing by the Purchaser that were not yet due and payable by the date of the balance sheet and that relate to periods ending on or prior to the date of the balance sheet. Provision will be made on Financial Statements for amounts at least equal to the amount of all Taxes owing by the Purchaser that will not be due and payable by the Closing Date and that relate to periods ending on or prior to the Closing Date.
- (c) The Purchaser 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 Purchaser is or may be liable; (ii) to file any elections, designations or similar filings relating to Taxes for which the Purchaser is or may be liable; (iii) the Purchaser 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 Purchaser is or may be liable.
- (d) The Purchaser has not made, prepared and/or filed any elections, designations or similar filings relating to Taxes or entered into any agreement or other arrangement in respect of Taxes or Tax Returns that has effect for any period ending after the Closing Date.
- (e) If applicable, all income, sales (including goods and services, harmonized sales and provincial or territorial sales) and capital tax Liabilities of the Purchaser have been assessed by the relevant Governmental Authorities and notices of assessment have been issued to each such entity by the relevant Governmental Authorities for all taxation periods ending at any time up to and including the Closing Date.
- (f) There are no proceedings, investigations, audits or Claims now pending or, to the Knowledge of the Purchaser, threatened against the Purchaser in respect of any Taxes and, to the Knowledge of the Purchaser, there are no matters under discussion, audit or appeal with any Governmental Authority relating to Taxes.

- (g) The Purchaser has duly and timely withheld all Taxes and other amounts required by Law to be withheld by it (including Taxes and other amounts required to be withheld by it in respect of any amount paid or credited or deemed to be paid or credited by it to or for the account or benefit of any Person, including any Employee, officer or director and any non-resident Person), and has duly and timely remitted to the appropriate Governmental Authority such Taxes and other amounts required by Law to be remitted by it.
- (h) The Purchaser 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. All input tax credits claimed by the Purchaser for purposes of the goods and services tax and harmonized sales tax were calculated in accordance with applicable Law. The Purchaser has complied with all registration, reporting, payment, collection and remittance requirements in respect of the goods and services tax and harmonized sales tax (and, where applicable, any similar provincial or foreign Tax).
- (i) None of sections 15, 78, 80, 80.01, 80.02, 80.03 or 80.04 of the ITA, or any equivalent provision of the Tax legislation of any province or any other jurisdiction, have applied or will apply to the Purchaser at any time up to and including the Closing Date, and there are no circumstances existing which could result in the application of such provisions to the Purchaser.
- (j) The Purchaser is not subject to Liability for Taxes of any other person. The Purchaser has not acquired property from a non-arm's length Person, within the meaning of the ITA, for consideration, the value of which is less than the fair market value of the property acquired in circumstances which could subject it to a liability under section 160 of the ITA. The Purchaser has not entered into any agreement with, or provided any undertaking or indemnity to, any person pursuant to which it has assumed Liability for the payment of Taxes owing by such person.
- (k) The Purchaser has not claimed any reserve or deduction for Tax purposes if, as a result of such claim, any amount could be included in its income for any period ending after the Closing Time.
- (l) All Tax credits and refunds, including refundable and non-refundable investment Tax credits in respect of mineral exploration claimed by the Purchaser, if any, were claimed and calculated in accordance with applicable Law and accepted practices of the applicable Governmental Authority.
- (m) The Purchaser has never made an "excessive eligible dividend designation" as defined in the ITA (or any similar provision of state, local or foreign Law).
- (n) With respect to the declaration and payment of all dividends on or prior to the Closing Date that were designated to be capital dividends (as provided pursuant to subsection 83(2) of the ITA), then (i) all such dividends so designated were recorded on Form T2054 (as prescribed under the regulations to the ITA) and which Form T2054 was filed with the Canada Revenue Agency (and any applicable provincial Governmental Authority) in the prescribed manner on or before the particular time on which any part of the dividend was paid; and (ii) as a consequence of the declaration of such capital dividends and the filing

of the Form T2054, the Purchaser is not subject to any Tax pursuant to the provisions of Part III of the ITA (or the applicable provisions of a provincial Tax statute).

### **6.30 Broker and Finder's Fees**

The Purchaser does not owe any broker, agency, finder's fee or commission in connection with the transactions contemplated by this Agreement, other than a broker, agency, finder's fee or commission that the Purchaser may pay in connection with the Financing,

### **6.31 Compliance with Anti-Corruption Laws**

The Purchaser nor any director, officer, Employee, agent or other Person acting on behalf of the Purchaser has, in relation to the Purchaser Business:

- (a) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity;
- (b) made any direct or indirect unlawful payment to any foreign or domestic Governmental Authorities from corporate funds;
- (c) violated or is in violation of any provision of Anti-Corruption Laws applicable to the Purchaser;
- (d) made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment in violation of any Anti-Corruption Laws; or
- (e) employed any government or political official of any country to act on behalf of the Purchaser.

No action, suit or proceeding by or before any Governmental Authority or any arbitrator involving the Purchaser with respect to Anti-Corruption Laws is pending or, to the Knowledge of the Purchaser, threatened.

### **6.32 Compliance with Anti-Money Laundering Laws**

The Purchaser Business has been conducted in compliance with Anti-Money Laundering Laws applicable to the Purchaser and no action, suit, or proceeding by or before any Governmental Authority or any arbitrator involving the Purchaser with respect to Anti-Money Laundering Laws is pending or, to the Knowledge of the Purchaser, threatened.

### **6.33 Contracts**

All Contracts to which the Purchaser is a party are disclosed in Schedule 6.34 of the Purchaser Disclosure Letter, other than Contracts entered into in the Ordinary Course of Business or in connection with the Financing or the transactions contemplated by this Agreement. Each such Contract is effective and in good standing. The Purchaser has performed all of the obligations required to be performed by it up to the date hereof and is entitled to all benefits under each, and has not been notified verbally or in writing of any allegation of default of any such Contract. There are no circumstances which after notice or lapse of time would constitute a breach of any Contract and, to the Knowledge of the Purchaser, no counterparty to any such Contract is in breach thereof.

### **6.34 Material Facts Disclosed**

None of the representations and warranties in this Article 6 and no document furnished by or on behalf of the Purchaser to the Purchaser in connection with the negotiation of the transaction contemplated by this Agreement contains any untrue statement of a material fact or omits to state any material fact necessary to make any such statement or representation not misleading. To the Knowledge of the Purchaser, there are no facts not disclosed in this Agreement which, if learned by the Vendors, might reasonably be expected to materially diminish the Vendor's evaluation of the value of the Purchaser Shares, the Purchaser or which, if learned by the Vendor's, might reasonably be expected to deter the Vendor's from completing the sale of the Purchased Shares on the terms of this Agreement.

## **ARTICLE 7 COVENANTS**

### **7.1 Conduct of Corporation Business in the Ordinary Course**

During the period from the date of this Agreement to the Closing Time, each Vendor shall cause the Corporation to, and where applicable, each Vendor agrees to:

- (a) Conduct of Corporation Business – except as otherwise contemplated or permitted by this Agreement, conduct the Corporation Business in the ordinary course, consistent with past practice and regular business policies and not, without the prior written consent of the Purchaser, enter into any transaction which, if effected before the date of this Agreement, would constitute a breach of the representations, warranties or agreements of the Vendors contained herein;
- (b) Changes – not undertake any of the matters contemplated in Section 5.21;
- (c) Constating Documents – not alter or amend the constating documents, including its articles and by-laws, in any manner that could adversely affect the success of the transactions contemplated by this Agreement, except as agreed to in writing by the Purchaser or as required to give effect to such transactions;
- (d) Maintain Good Relations – use all reasonable efforts to maintain good relations with its Employees, Customers and suppliers;
- (e) Continue Insurance – continue in force all policies of insurance maintained by or for the benefit of the Corporation and give all notices and present claims under all insurance policies in a timely fashion;
- (f) Comply with Laws – comply will all Laws affecting the operation of the Corporation and the Corporation Business;
- (g) Licenses – immediately and diligently take all required steps to apply or receive approval for the requisite Licenses of the appropriate Governmental Authorities in each jurisdiction in which the nature or conduct of the Business of the Corporation or any part thereof or the nature of the Assets or properties of the Corporation makes such qualification necessary or desirable to enable the Business to be carried on as now conducted or as proposed to be conducted, or to enable the Assets or properties of the Corporation to be owned, leased, and operated, including the Licenses;

- (h) Regulatory Compliance – not take any kind of action: that could impair, prevent, increase the likelihood of refusal or reduce the likelihood of successfully of receiving a License; that could put any existing License at risk of suspension or revocation such that the License would no longer be valid, subsisting, in good standing or have full force and effect; or would result in any operation at a facility currently used by the Corporation receiving a fine, suspension or revocation of approval for such operation;
- (i) This Agreement – not take actions of any kind which could reduce the likelihood of success of the transactions contemplated by this Agreement, other than as contemplated herein; to use reasonable commercial efforts to complete such transactions and to not take any action contrary to or in opposition of such transactions; and to cooperate fully with the Purchaser and to use reasonable commercial efforts to assist the Purchaser in its efforts to complete such transactions and to take all actions as are otherwise necessary to complete such transactions;
- (j) Debt and Dividends – not issue any securities of any kind, whether debt, either or other security, except as agreed to by the Purchaser in writing, declare or pay any dividends or distribute any of the Assets or property; and not to borrow any money or incur any indebtedness (except for trades payable in the ordinary course);
- (k) Non-Solicit – not directly or indirectly, through any representative: (A) solicit, initiate, propose, encourage, assist or participate in (and cease and cause to be terminated) any activities, discussions, negotiations, inquiries, proposals, or solicitations in consistent with, in opposition to or in competition with the transactions contemplated by this Agreement and, without limited the generality of the foregoing, not take any actions to give effect to the completion of any transactions other than the transactions contemplated by this Agreement; (B) induce or attempt to induce any Person to initiate any shareholder proposal, acquisition of the Purchased Shares or any other form of transaction in consistent with, in opposition to or in competition with the transactions contemplated by this Agreement; (C) take any actions of any kind which may reduce the likelihood of success of the transactions contemplated by this Agreement; not amend, modify, waive, release or otherwise forebear in the enforcement of, and shall use all commercially reasonable efforts to enforce, any confidentiality, non-solicitation or standstill or similar agreements or provisions to which it and any third parties are parties;
- (l) Intellectual Property – use all commercially reasonable efforts and take all reasonable steps to protect, secure and enforce intellectual property rights, including Corporation Intellectual Property and not take any kind of action that would the Corporation Intellectual Property or any rights the Corporation may have in intellectual property at risk of invalidation or ineligibility for protection under any Laws.
- (m) Corporation Confidential Information – discontinue access to any of its confidential information (and not establish or allow access to any of its confidential information, or any data room, virtual or otherwise) and maintain all information in its possession or in its control relating to the Corporation and the Corporation Business (including this Agreement) strictly in confidence and will not disclose to any Person or make public or authorize the disclosure of any such information and will not use such information for any purpose except as required to perform any duties that it is required to perform for the purposes contemplated herein, or as may be required by Law;

- (n) Approvals – cooperate with the Purchaser and use all commercially reasonable efforts to obtain and diligently assist the Purchaser in obtaining all necessary consents, approvals and authorizations required to complete the transactions contemplated in this Agreement; and
- (o) Advise of Changes – promptly advise the Purchaser orally and, if then requested, in writing, of (A) any fact or any change in the Business, operations, affairs, Assets, Liabilities, capitalization, financial condition or prospects of the Corporation that could have a Material Adverse Effect; (B) any breach by a Vendor of any covenant or agreement contained in this Agreement; and (C) any death, disability, resignation, termination of employment or other departure of any Employee, director or officer of the Corporation.

## **7.2 Conduct of Purchaser Business in the Ordinary Course**

During the period from the date of this Agreement to the Closing Time, the Purchaser agrees to:

- (a) Conduct of Purchaser Business – except as otherwise contemplated or permitted by this Agreement, conduct the Purchaser Business in the ordinary course, consistent with past practice and regular business policies;
- (b) Constating Documents – not alter or amend the constating documents, including its articles and by-laws, in any manner that could adversely affect the success of the transactions contemplated by this Agreement, except as agreed to in writing by the Purchaser or as required to give effect to such transactions;
- (c) Maintain Good Relations – use all reasonable efforts to maintain good relations with its Employees, Customers and suppliers;
- (d) Continue Insurance – continue in force all policies of insurance maintained by or for the benefit of the Purchaser and give all notices and present claims under all insurance policies in a timely fashion;
- (e) Comply with Laws – comply will all Laws affecting the operation of the Purchaser and the Purchaser Business;
- (f) Debt and Dividends – not issue any securities of any kind, whether debt, either or other security, except under the Financing or as agreed to by the Purchaser in writing, declare or pay any dividends or distribute any of the Assets or property; and not to borrow any money or incur any indebtedness (except for trades payable in the ordinary course);
- (g) Approvals – cooperate with the Corporation and the Vendors and use all commercially reasonable efforts to obtain and diligently assist the Corporation and the Vendors in obtaining all necessary consents, approvals and authorizations required to complete the transactions contemplated in this Agreement; and
- (h) Advise of Changes – promptly advise the Corporation orally and, if then requested, in writing, of (A) any fact or any change in the Purchaser Business, operations, affairs, Assets, Liabilities, capitalization, financial condition or prospects of the Purchaser that could have a Material Adverse Effect; (B) any breach by a the Purchaser of any covenant or agreement contained in this Agreement; and (C) any death, disability, resignation, termination of employment or other departure of any Employee, director or officer of the Purchaser.

### 7.3 Disclosure Document

The Corporation and each Vendor shall cooperate with the Purchaser in the preparation of any prospectus, information circular, listing statement and/or other comprehensive disclosure document (a "**Disclosure Document**") required to be prepared and presented in accordance with Applicable Securities Laws, and the policies of the Exchange and any other regulatory authorities having jurisdiction over all or part of the transactions contemplated by this Agreement. In connection therewith, the Corporation and each Vendor shall provide all necessary information regarding the Corporation reasonably required by the Purchaser in preparing a Disclosure Document or other related documents. The Corporation and each Vendor further understand that one or more of the Corporation's executive officers and/or directors may be required to sign a certificate page attached to a Disclosure Document (and to make all commercially reasonable efforts to also cause its auditors to deliver a consent letter) to the effect that the information in a Disclosure Document with respect to the Corporation constitutes full, true and plain disclosure, all as required by Applicable Securities Laws and the policies of the Exchange. The Purchaser shall give reasonable consideration to any comments made by the Corporation and its representatives and advisors in connection with the Disclosure Document.

### 7.4 Due Diligence

The Purchaser and its representatives and advisors will be entitled to make such due diligence investigations of the financial condition, contractual obligations, business affairs and corporate affairs of the Corporation and the Vendors as the Purchaser may deem reasonably necessary or advisable, and the Vendors and the Corporation will provide the Purchaser and its representatives and advisors reasonable access during normal business hours to its management, premises, Books and Records, and to such information (including any material Contracts) as may be reasonably requested by the Purchaser.

### 7.5 Financial Statements

- (a) The Corporation shall co-operate with the Purchaser with respect to any Corporation Financial Statements required for the Disclosure Document and the Listing, which such Financial Statements shall be prepared in accordance with IFRS, shall present fairly in all material respects the financial position of the Corporation and the financial performance of the Corporation.
- (b) The Corporation co-operate with the Purchaser with respect to any other post-Closing audit of Corporation Financial Statements of the Corporation that may be required by regulatory authorities or Governmental Authorities in the future, provided that any such audits shall be at the expense of the Purchaser (to the extent not already completed).

### 7.6 Board and Management Composition

- (a) Upon Closing, the Purchaser shall cause its board of directors to consist of five directors, to include (a) two nominees of the Vendors (initially, Barinder Rasode and Robert Nygren, each an Executive Co-Chair) (each a "**Vendor Nominee**"), which such nominees meet the qualification requirements to serve as a director under Applicable Laws, and (b) three nominees of the Purchaser (initially, Tim Laidler, Vic Neufeld and Ricky Brar).
- (b) The Purchaser shall, in respect of every meeting of shareholders held prior to December 31, 2022, identify each of the two Vendor Nominees specified by the Vendors' Representative as a "management nominee" in the Purchaser's proxy solicitation materials (including any management information circular), and include a recommendation to the



shareholders of the Purchaser to vote in favour of each such Vendor Nominee, provided that:

- (i) each of the two Vendor Nominees (if other than Barinder Rasode or Robert Nygren) must, at the time of election or appointment to the board of directors for the first time, meet the qualification requirements to serve as a director under Applicable Laws, and, except where a Vendor Nominee is a member of management of the Purchaser at the time of such proposed election or appointment, must otherwise be acceptable to the Purchaser acting reasonably, for election to the board of directors; and
  - (ii) the Vendors' Representative shall consult with the Purchaser with respect to the appropriateness of any Vendor Nominee (if other than Barinder Rasode or Robert Nygren), including to ensure that such nominee meets the qualification requirements to serve as a director under Applicable Laws, and to ensure that the nominee is acceptable to the Purchaser, acting reasonably. If any such nominee is unacceptable to the Purchaser, acting reasonably, the Purchaser shall set out the reasons therefor and provide the Vendors' Representative the opportunity to designate an alternative nominee.
- (c) Subject to Section 7.6(b), the Purchaser shall use its commercially reasonable efforts to obtain shareholder approval for the election of each of the two Vendor Nominees at each such meeting (including by soliciting proxies in favour of the two Vendor Nominees) and, in furtherance thereof, the Purchaser shall:
- (i) support each of the two Vendor Nominees for election in a manner no less rigorous and favourable than the manner in which the Purchaser supports all of the other director nominees; and
  - (ii) use commercially reasonable efforts to cause the proxyholder named in the form of proxy on which management of the Purchaser is soliciting proxies to vote the common shares of the Purchaser in respect of which such proxyholder is granted a discretionary proxy, in favour of the election of each of the two Vendor Nominees at such meeting.
- (d) Each of the two Vendor Nominees shall be entitled to all of the rights and privileges of the other directors of the Purchaser, including:
- (i) the benefit of any director's and officer's liability insurance or indemnity, including, if applicable, through the execution of an indemnity agreement between the Purchaser and the Vendor Nominee, in form acceptable to the Vendor Nominee; and
  - (ii) the benefit of any directors fees and reimbursements of costs and expenses to which other non-executive directors of the Purchaser are entitled.

## **7.7 Use of Name**

In connection with the proposed name change of the Purchaser, the Corporation consents to the use of the word "HAVN" in the Purchaser's corporate name, and grants to the Purchaser any and all license applicable in connection therewith, provided that if this Agreement terminates, other than by reason of the Closing

Date having occurred, the Purchaser shall promptly change its name to a name that does not use the word "HAVN".

## **ARTICLE 8 CLOSING**

### **8.1 Purchaser Conditions**

The Vendors acknowledge and agree that the obligations of the Purchaser to complete the transactions contemplated by this Agreement, including the purchase of the Purchased Shares, shall be subject to the following conditions being satisfied on or prior to the Closing Date, which conditions are for the exclusive benefit of the Purchaser and may be waived, in whole or in part, by the Purchaser in its sole and absolute discretion:

- (a) the Purchaser being satisfied with the results of its due diligence investigations of the Corporation and the Vendors, in its sole and unfettered discretion;
- (b) all consents, approvals, Orders and authorizations of any Person (and registrations, declarations, filings or recordings with any Governmental Authority), required to be obtained in connection with the completion of any of the transactions contemplated by this Agreement, the execution of this Agreement, the Closing or the performance of any of the terms and conditions of this Agreement, including and any consents required under Contracts shall have been obtained at or before the Closing Time on terms acceptable to the Purchaser, acting reasonably;
- (c) there shall have been no Material Adverse Effect in respect of the Corporation Business, the results of operations, Assets, Liabilities, condition (financial or otherwise) or affairs of the Corporation since the date of this Agreement;
- (d) all of the representations and warranties of the Corporation and the Vendors made in or pursuant to this Agreement shall be true and correct in all material respects as at the Closing Time and with the same effect as if made at and as of the Closing Time (except as such representations and warranties may be affected by the occurrence of events or transactions expressly permitted by this Agreement) and the Purchaser shall have received a certificate from each of the Corporation and Vendors confirming the truth and correctness of such representations and warranties;
- (e) there shall be no prohibition under applicable Laws against the consummation of the transactions contemplated by this Agreement;
- (f) there shall be no Order issued delaying, restricting or preventing, and no pending or threatened Claim, or judicial or administrative proceeding, or investigation against any Party by any Person, for the purpose of enjoining, delaying, restricting or preventing, the consummation of the transactions contemplated by this Agreement or otherwise claiming that this Agreement or the consummation of such transactions is improper or would give rise to proceedings under any Laws;
- (g) the Vendors shall have performed or complied with, in all respects, all its obligations and covenants under this Agreement and the Purchaser shall have received a certificate from each of the Corporation and the Vendors confirming such performance or compliance, as the case may be;

- (h) the Purchaser shall have: (i) filed a long form prospectus (the “**Prospectus**”) with the Canadian securities regulators in connection with a listing of the Purchaser’s Shares (the “**Listing**”) on the Exchange, and obtained a final receipt for the Prospectus from Canadian securities regulators in each applicable jurisdiction; and (ii) received of all required approvals in connection with the Prospectus and the Listing, including, without limitation, the conditional approval of the Exchange for the Listing, with Listing subject to fulfilling the customary listing requirements of the Exchange;
- (i) the board of directors of the Purchaser at the Closing Time shall consist of (i) two nominees of the Vendors (Barinder Rasode and Robert Nygren, each an Executive Co-Chair), and (ii) three nominees of the Purchaser (initially, Tim Laidler, Vic Neufeld and Ricky Brar) and Tim Moore and Susan Chapelle shall be appointed as Co-Chief Executive Officers of the Purchaser, and Eli Dusenbury shall remain the Chief Financial Officer of the Purchaser and there shall have been delivered to the Purchaser on or before the Closing Time the resignations of all individuals who are currently directors or officers of the Corporation, and duly executed comprehensive releases from each such individual and from the Vendors of all their Claims against the Corporation, except for any Claims for current unpaid remuneration; and
- (j) prior to the Closing Time, the Purchaser shall have received from each of the Vendors a duly executed investor execution page in the form set out at Schedule 8.1(j)

If any of the foregoing conditions in this Section 8.1 has not been fulfilled by Closing, the Purchaser may terminate this Agreement by notice in writing to the Vendors; however, the Purchaser may waive compliance with any condition in whole or in part if it sees fit to do so, without prejudice to its rights of termination in the event of non-fulfilment of any other condition, in whole or in part, or to its rights to recover damages for the breach of any representation, warranty, covenant or condition contained in this Agreement.

## **8.2 Vendors Conditions**

The Purchaser acknowledges and agree that the obligations of each of the Vendors to complete the transactions contemplated by this Agreement, including the sale of the Purchased Shares, shall be subject to the following conditions being satisfied on or prior to the Closing Date, which conditions are for the exclusive benefit of the Vendors and may be waived, in whole or in part, by the Vendors in their sole and absolute discretion:

- (a) all of the representations and warranties of the Purchaser made in or pursuant to this Agreement shall be true and correct in all material respects as at the Closing Time and with the same effect as if made at and as of the Closing Time;
- (b) there shall be no prohibition under applicable Laws against the consummation of the transactions contemplated by this Agreement;
- (c) there shall be no Order issued delaying, restricting or preventing, and no pending or threatened Claim, or judicial or administrative proceeding, or investigation against any Party by any Person, for the purpose of enjoining, delaying, restricting or preventing, the consummation of the transactions contemplated by this Agreement or otherwise claiming that this Agreement or the consummation of such transactions is improper or would give rise to proceedings under any Laws;

- (d) the Purchaser shall have: (i) filed the Prospectus with the Canadian securities regulators in connection with the Listing on the Exchange, and obtained a final receipt for the Prospectus from Canadian securities regulators in each applicable jurisdiction; (ii) completed the Financing; (iii) not less than \$3,000,000 of working capital (provided that the \$250,000 Promissory Note dated April 20, 2020 between the Corporation and the Purchaser shall comprise part of the \$3,000,000 working capital); and (iv) received of all required approvals in connection with the Prospectus and the Listing, including, without limitation, the conditional approval of the Exchange for the Listing, with Listing subject to fulfilling the customary listing requirements of the Exchange; and
- (e) the Purchaser shall have performed or complied with, in all respects, all its obligations and covenants under this Agreement and the Vendors shall have received a certificate from the Purchaser confirming such performance or compliance; and
- (f) the board of directors of the Purchaser at the Closing Time shall consist of (i) two nominees of the Vendors (Barinder Rasode and Robert Nygren, each an Executive Co-Chair), and (ii) three nominees of the Purchaser (initially, Tim Laidler, Vic Neufeld and Ricky Brar) and Tim Moore and Susan Chapelle shall be appointed as Co-Chief Executive Officers of the Purchaser.

If any of the foregoing conditions in this Section 8.2 has not been fulfilled by Closing, the Vendor may terminate this Agreement by notice in writing to the Purchaser; however, the Vendor may waive compliance with any condition in whole or in part if it sees fit to do so, without prejudice to its rights of termination in the event of non-fulfilment of any other condition in whole or in part or to its rights to recover damages for the breach of any representation, warranty, covenant or condition contained in this Agreement.

### **8.3 Documents to be Delivered**

- (a) At the Closing Time, each of the Vendors:
  - (i) shall transfer and deliver to the Purchaser share certificates representing their respective Purchased Shares duly endorsed in blank for transfer, or accompanied by irrevocable security transfer powers of attorney duly executed in blank, in either case by the holders of record, and shall take such steps as shall be necessary to cause the Corporation to enter the Purchaser or its nominee(s) upon the books of the Corporation as the holder of the Purchased Shares and to issue share certificates to the Purchaser or its nominee(s) representing the Purchased Shares;
  - (ii) if such Vendor is a corporate entity, shall execute and deliver to the Purchaser authorizing resolutions that are required to permit the due and valid transfer of such Vendor's Purchased Shares to and in the name of the Purchaser and the completion of the transactions contemplated by this Agreement;
  - (iii) shall execute and deliver to the Purchaser a duly executed receipt for the Purchaser Shares;
  - (iv) shall execute and deliver to the Purchaser a release, in form and substance acceptable to the Purchaser in its sole and unfettered discretion, of the Vendor in favour of the Corporation; and

- (v) all such other documents, instruments and things which are to be delivered by the Vendors pursuant to the provisions of this Agreement or that may be necessary to complete the transactions provided for in this Agreement.
- (b) At the Closing Time, the Vendors' Representative shall cause to be executed and delivered to the Purchaser the following documents:
- (i) a certificate of status, compliance, good standing or like certificate with respect to the Corporation issued by the appropriate Governmental Authority;
  - (ii) certified copies of all corporate authorizing resolutions of the Corporation that are required to permit the due and valid transfer of the Purchased Shares to and in the name of the Purchaser and the completion of the transactions contemplated by this Agreement;
  - (iii) a certificate signed by a senior officer of the Corporation and by the Management Vendors confirming that:
    - (A) all representations and warranties of the Management Vendors, and the Corporation contained herein are true and correct as of the Closing Date;
    - (B) all covenants and conditions of the Management Vendors and the Corporation to be performed and observed in this Agreement prior to or at Closing have been performed; and
    - (C) since the date of this Agreement, there has not occurred a Material Adverse Effect on the Corporation Business, the Corporation, its subsidiaries, if any, or the Assets;
  - (iv) a certificate signed by each of Vendors, other than the Management Vendors, confirming that:
    - (A) all representations and warranties of the Vendors contained herein are true and correct as of the Closing Date; and
    - (B) all covenants and conditions of the Vendors to be performed and observed in this Agreement prior to or at Closing have been performed;
  - (v) the resignations, effective as of the Closing Date, of each of Robert Nygren, Barinder Rasode, Susan Chapelle, Dr. Ivan Casselman and Alexzander Samuelsson, respectively, of the Corporation and a release, in form and substance acceptable to the Purchaser in its sole and unfettered discretion, of each such of the foregoing in favour of the Corporation;
  - (vi) consulting or employment agreements, as applicable, of each of Robert Nygren, Barinder Rasode, Susan Chapelle, Dr. Ivan Casselman and Alexzander Samuelsson executed with the Purchaser, each in the respective form attached at Schedule 8.3(b)(vi) of the Purchaser Disclosure Letter.

- (vii) intellectual property assignment agreement from Dr. Ivan Casselman assigning all right, title and interest to Psylocibin formulations and any related products along with any and all intellectual property rights therefrom to the Corporation;
  - (viii) evidence satisfactory to the Purchaser as to the Liabilities (including the Accounts Payable and Accrued Liabilities) of the Corporation as of the Closing Date;
  - (ix) the minute books of the Corporation;
  - (x) a favourable customary corporate legal opinion in respect of the Corporation (as to matters including, without limitation, due execution and enforceability of this Agreement and the other agreements to be executed hereunder, and as to the issued and outstanding share capital of the Corporation) prepared and signed by counsel to the Corporation, in form and content satisfactory to the Purchaser, acting reasonably, and addressed to the Purchaser and its counsel;
  - (xi) all such other documents, instruments and things which are to be delivered by the Corporation pursuant to the provisions of this Agreement or that may be necessary to complete the transactions provided for in this Agreement.
- (c) At the Closing Time, the Purchaser shall execute and deliver, or cause to be executed, and shall deliver, or cause to be delivered, to the Vendors the following documents to which they are a party:
- (i) a certificate of status, compliance, good standing or like certificate with respect to the Purchaser issued by the appropriate Governmental Authority;
  - (ii) the Purchaser Shares; and
  - (iii) certified copies of all corporate authorizing resolutions of the Purchaser that are required to permit the purchase of the Purchased Shares, the issuance of the Purchased Shares, and the completion of the transaction contemplated by this Agreement;
  - (iv) a certificate signed by a senior officer of the Purchaser confirming that:
    - (A) all representations and warranties of the Purchaser contained herein are true and correct as of the Closing Date; and
    - (B) all covenants and conditions of the Purchaser to be performed and observed in this Agreement prior to or at Closing have been performed;
  - (v) a favourable customary corporate legal opinion in respect of the Purchaser (as to due execution and enforceability of this Agreement and the other agreements to be executed hereunder, and , prepared and signed by counsel to the Purchaser, in form and content satisfactory to the Vendors, acting reasonably, and addressed to the Vendors and their counsel;
  - (vi) the resignation, effective as of the Closing Date, of Eli Dusenbury as a director and as the President and Co-CEO of the Purchaser;

- (vii) all such other documents, instruments and things which are to be delivered by the Purchaser pursuant to the provisions of this Agreement or that may be necessary to complete the transactions provided for in this Agreement.

## **ARTICLE 9 TERMINATION**

### **9.1 Termination**

This Agreement may, by notice in writing given prior to or on the Closing Date, be terminated:

- (a) by mutual consent of the Purchaser and the Vendors;
- (b) by the Purchaser if any of the conditions in Section 8.1 have not been satisfied at or prior to Closing and the Purchaser has not waived such condition at or prior to Closing;
- (c) by the Vendors if any of the conditions in Section 8.2 have not been satisfied at or prior to Closing and the Vendors have not waived such condition at or prior to Closing;
- (d) by the Purchaser if it is not satisfied with the results of its due diligence investigations of the Corporation and the Vendors, in its sole and unfettered discretion;
- (e) by either the Purchaser, on the one hand, or the Vendors, on the other hand, if the Closing shall not have occurred on or before the Outside Date, except that the right to terminate this Agreement under this Section 9.1(d) shall not be available to any Party whose failure to fulfill any of its obligations has been the cause of, or resulted in, the failure of the Closing to occur by such date; and
- (f) by either the Purchaser, on the one hand, or the Vendors' Representative on behalf of the Vendors, collectively, on the other hand, if there has been a material breach of this Agreement by the Vendors, on the one hand, or the Purchaser, on the other hand, and such breach has not been waived by the non-breaching Party, or cured by the breaching Party within ten (10) days of receipt of written notice of such breach from the non-breaching Party.

### **9.2 Effect of Termination**

- (a) Each Party's right of termination under this Article 9 is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of a right of termination will not be an election of remedies. Nothing in this Article limits or affects any other rights or causes of action any Party may have with respect to the representations, warranties, covenants and indemnities in its favour contained in this Agreement. If a Party waives compliance with any of the conditions, obligations or covenants contained in this Agreement, the waiver will be without prejudice to any of its rights of termination in the event of non-fulfilment, non-observance or non-performance of any other condition, obligation or covenant in whole or in part.
- (b) In the event of the termination of this Agreement in accordance with this Article 9, this Agreement shall forthwith terminate and there shall be no liability on the part of any Party except

- (i) each Party's obligations under Article 9, Article 11, Section 12.1 and Section 12.2 shall survive; and
- (ii) if this Agreement is terminated by a Party because of a breach of this Agreement by the other Party or because a condition for the benefit of the terminating Party has not been satisfied because the other Party has failed to perform any of its obligations or covenants under this Agreement, the terminating Party's right to pursue all legal remedies will survive such termination unimpaired.

## **ARTICLE 10 NON-WAIVER; SURVIVAL**

### **10.1 Non-Waiver**

No waiver of any condition or other provisions, in whole or in part, shall constitute a waiver of any other condition or provision (whether or not similar) nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

### **10.2 Nature and Survival**

The representations and warranties in Article 4 shall survive for 12 months following the Closing, the representations and warranties in Article 5 and Article 6 shall survive for 6 months following the Closing and the covenants contained in this Agreement on the part of each of the Parties shall survive the Closing. The right to indemnification or other remedy of any Party based on the representations, warranties, covenants, agreements and obligations contained in this Agreement exists notwithstanding the Closing and notwithstanding any investigation or knowledge acquired prior to the Closing.

## **ARTICLE 11 INDEMNIFICATION**

### **11.1 Indemnification by the Vendors**

- (a) Each Vendor shall on a several basis in proportion to each Vendor's Pro Rata Share, indemnify and save harmless the Purchaser, and its directors, officers, agents, employees and shareholders (collectively referred to as the "**Purchaser Indemnified Parties**"), on an after-Tax basis, from and against all Claims, whether or not arising due to third party Claims, which may be made or brought against Purchaser Indemnified Parties, or which they may suffer or incur, directly or indirectly, as a result of or in connection with or relating to:
  - (i) any non-fulfilment or breach of any covenant on the part of such Vendor contained in this Agreement or in any certificate or other document furnished by or on behalf of such Vendor pursuant to this Agreement;
  - (ii) any misrepresentation or any incorrectness in or breach of any representation or warranty of such Vendor contained in Article 4; and
  - (iii) any misrepresentation or any incorrectness in or breach of any representation or warranty of the Corporation and the Management Vendors contained in Article 5;



- (b) The Vendors agree that:
- (i) Section 11.1(a)(i) shall survive the Closing indefinitely or for the period explicitly specified herein or in any certificate or other document furnished by or on behalf of the Vendors pursuant hereto, for the performance or fulfilment of the relevant covenant;
  - (ii) the representations and warranties of the Vendors contained in Article 4 herein shall survive the Closing and shall remain in full force and effect until the date that is 12 months following the Closing Date; and
  - (iii) the representations and warranties of the Corporation and the Management Vnedors contained in Article 5 herein shall remain in full force and effect until the date that is 6 months following the Closing Date;

Notwithstanding the foregoing, any Claims asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from the Indemnified Party to the Indemnifying Parties prior to the expiration date of the applicable survival period shall not thereafter be barred by the expiration of the relevant representation or warranty and such Claims shall survive until finally resolved.

### **11.2 Indemnification by the Corporation**

- (a) The Corporation shall indemnify and save harmless the Purchaser Indemnified Parties, on an after-Tax basis, from and against all Claims, whether or not arising due to third party Claims, which may be made or brought against Purchaser Indemnified Parties, or which they may suffer or incur, directly or indirectly, as a result of or in connection with or relating to any non-fulfilment or breach of any covenant on the part of the Corporation contained in this Agreement or in any certificate or other document furnished by or on behalf of the Corporation pursuant to this Agreement;
- (b) The Corporation agrees that Section 11.2(a) shall survive the Closing indefinitely or for the period explicitly specified herein or in any certificate or other document furnished by or on behalf of the Vendors pursuant hereto, for the performance or fulfilment of the relevant covenant.

Notwithstanding the foregoing, any Claims asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from the Indemnified Party to the Indemnifying Parties prior to the expiration date of the applicable survival period shall not thereafter be barred by the expiration of the relevant representation or warranty and such Claims shall survive until finally resolved.

### **11.3 Indemnification by the Purchaser**

- (a) The Purchaser shall indemnify and save harmless the Vendors, and their respective directors, officers, agents, employees and shareholders (collectively referred to as the “**Vendor Indemnified Parties**”), on an after-Tax basis, from and against all Claims, whether or not arising due to third party Claims, which may be made or brought against Vendor Indemnified Parties, or which they may suffer or incur, directly or indirectly, as a result of or in connection with or relating to any non-fulfilment or breach of any covenant

on the part of the Corporation contained in this Agreement or in any certificate or other document furnished by or on behalf of the Corporation pursuant to this Agreement;

- (b) The Purchaser agrees that Section 11.3(a) shall survive the Closing indefinitely or for the period explicitly specified herein or in any certificate or other document furnished by or on behalf of the Vendors pursuant hereto, for the performance or fulfilment of the relevant covenant.

Notwithstanding the foregoing, any Claims asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from the Indemnified Party to the Indemnifying Parties prior to the expiration date of the applicable survival period shall not thereafter be barred by the expiration of the relevant representation or warranty and such Claims shall survive until finally resolved.

#### **11.4 Limitations on Indemnification; Means of Recovery**

- (a) The Vendors shall not be required to indemnify the Purchaser Indemnified Parties pursuant to, and shall not have any liability under, Section 11.1(a)(iii) until the aggregate amount of all Claims for which the Vendors would, but for this Section 11.4, be liable under such Section 11.1(a)(iii) exceeds on a cumulative basis an amount equal to C\$25,000, in which case, the Vendors shall only be required to indemnify the Purchaser Indemnified Parties for all such Claims incurred in the aggregate by the Purchaser Indemnified Parties in excess of the such amount.
- (b) The aggregate liability of the all of the Vendors shall not exceed the Purchase Price.
- (c) The aggregate liability of each Vendor pursuant to this Agreement shall not exceed the lesser of: (i) the Purchase Price paid to such Vendor; and (ii) such Vendor's Pro Rata Share of a Claim.
- (d) Each Vendor shall be entitled to satisfy any Claim under this Article 11, at such Vendor's sole discretion (i) by surrender for cancellation of some or all the Purchaser Shares then held by such Vendor and/or (ii) by making a direct cash payment to the Purchaser. For the purposes of this Section 11.4(d), a Purchaser Share shall be deemed to have a value equal to the lesser of: (i) \$0.25 per Purchaser Share; and (ii) the volume weighted average closing price over the 10 trading days on the Exchange prior to the date of surrender of such Purchaser Shares, if applicable, provided however that if a Vendor satisfies any Claims by surrendering for cancellation all of such Vendor's Purchaser Shares, such Vendor shall have no further liability under this Article 11.

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

- (a) In the case of Claims made by a Person that is not a party to this Agreement (a "**Third Party**") with respect to which indemnification is sought, the party seeking indemnification (the "**Indemnified Party**") shall give prompt notice, and in any event within 30 Business Days, to the party against whom indemnification is asserted (the "**Indemnifying Parties**") of any such Claims made upon it. If the Indemnified Party fails to give such notice, such failure shall not preclude the Indemnified Party from obtaining such indemnification but its right to indemnification may be reduced to the extent that such delay prejudiced the defence of the Claim or increased the amount of Liability or cost of defense.

- (b) Subject to Section 11.5(c), the Indemnifying Parties shall have the right, by notice to the Indemnified Party given not later than 30 days after receipt of the notice described in Section 11.5(a), to assume the control of the defence, compromise or settlement of the Claim, provided that such assumption shall, by its terms, be without cost to the Indemnified Party and provided the Indemnifying Parties acknowledge in writing its obligation to indemnify the Indemnified Party in accordance with the terms contained in this Section in respect of that Claim.
- (c) The Indemnifying Parties may not assume the investigation and defence of a Third Party Claim if:
  - (i) Any of the Indemnifying Parties is also a party to the Third Party Claim and the Indemnified Party determines in good faith that joint representation would be inappropriate, or
  - (ii) the Third Party Claim seeks relief against the Indemnified Party other than monetary damages or the Indemnified Party determines in good faith that there is a reasonable probability that the Third Party Claim may adversely affect it or its Affiliates or the conduct of the Business and the Indemnified Party has notified the Indemnifying Parties that it will exercise its exclusive right to defend, compromise or settle the Third Party Claim, or
  - (iii) the Indemnifying Parties fail to provide reasonable assurance to the Indemnified Party of its financial capacity to defend the Third Party Claim and provide indemnification with respect to the Third Party Claim.
- (d) If the Indemnifying Parties (i) are not entitled to assume the investigation and defence of a Third Party Claim under Section 11.5(c), or (ii) do not elect to assume the investigation and defence of a Third Party Claim, the Indemnified Party has the right (but not the obligation) to undertake the defence of the Third Party Claim.
- (e) If, under Section 11.5(d), the Indemnified Party undertakes the investigation and defence of a Third Party Claim:
  - (i) subject to the other provisions of 11.4, all reasonable expenses relating to the defence of such Third Party Claim shall be borne and paid exclusively by the Indemnifying Parties;
  - (ii) the Indemnifying Parties shall make available to the Indemnified Party any documents and materials in his possession or control that may be necessary to the defence of such Third Party Claim; and
  - (iii) the Indemnified Party shall have the right to settle, adjust or compromise such Third Party Claim but the Indemnifying Parties shall not be bound by any compromise or settlement of the Third Party Claim effected without its written consent (which consent may not be unreasonably withheld or delayed).
- (f) Upon the assumption of control of any Claim by the Indemnifying Parties as set out in Section 11.5(b), the Indemnifying Parties shall diligently proceed with the defence, compromise or settlement of the Claim at its sole expense, including if necessary, employment of counsel and experts reasonably satisfactory to the Indemnified Party and,

in connection therewith, the Indemnified Party shall cooperate fully, but at the expense of the Indemnifying Parties with respect to any out-of-pocket expenses incurred, to make available to the Indemnifying Parties all pertinent information and witnesses under the Indemnified Party's control, make such assignments and take such other steps as in the opinion of counsel for the Indemnifying Parties are reasonably necessary to enable the Indemnifying Parties to conduct such defence. The Indemnified Party shall also have the right to participate in the negotiation, settlement or defence of any Claim at its own expense. The Indemnifying Parties shall not settle any Claim without the prior written consent of the Indemnified Party, such consent not to be unreasonably withheld.

- (g) The final determination of any Claim pursuant to this Section, including all related costs and expenses, shall be binding and conclusive upon the Parties as to the validity or invalidity, as the case may be, of such Claim against the Indemnifying Parties.
- (h) If the Indemnifying Parties do not assume control of a Claim as permitted in Section 11.5(b), the Indemnified Party shall be entitled to make such settlement of the Claim as in its sole discretion may appear advisable, and such settlement or any other final determination of the Claim shall be binding upon the Indemnifying Parties.

#### **11.6 Payment; Calculation of Loss**

- (a) Once a Claim is agreed to by the Indemnifying Parties or finally adjudicated to be payable pursuant to this Article 11, the Indemnifying Parties shall satisfy the obligations within 15 Business Days of such final, non-appealable adjudication by wire transfer, bank draft or certified cheque of immediately available funds. The Parties agree that should the Indemnifying Parties not make full payment of any such obligations within such 15 Business Day period, any amount payable shall accrue interest from and including the date of agreement of the Indemnifying Parties or final, non-appealable adjudication with respect thereto, to but excluding the date such payment has been made at a rate per annum equal to 6%. Such interest shall be calculated daily on the basis of a 365-day year and the actual number of days elapsed.
- (b) Any Claims payable to a Purchaser Indemnified Party pursuant to Article 11 shall be satisfied from the Vendors on a joint and several basis.
- (c) In computing any loss payable under pursuant to any Claim, the amount of the loss shall be deemed to be an amount net of any insurance proceeds actually recovered in respect thereof by the Indemnified Party; provided, however, that nothing in this Agreement shall require the Indemnified Party to maintain any insurance policies or pursue recovery from any insurance policies.

#### **11.7 No Contribution.**

Each of the Vendors acknowledges and agrees that the Corporation shall not have any Liability or obligation to indemnify, save or hold harmless or otherwise pay, reimburse or make the Vendors whole for or on account of any indemnification or other claims made by any Purchaser Indemnified Party hereunder. None of the Vendors shall have any right of contribution against the Corporation with respect to any such indemnification or other claim.

### **11.8 Representations Not Limited.**

The representations, warranties, covenants and obligations of the Parties, and the rights and remedies that may be exercised by Indemnified Parties, shall not be limited or otherwise affected by or as a result of any information furnished to, or any investigation made by or knowledge of, any of Indemnified Parties or any of their representatives. Without limiting the generality of the foregoing, the Indemnified Parties expressly reserve the right to seek indemnity or other remedy for any losses arising out of or relating to any breach of any representation, warranty or covenant contained herein, notwithstanding any investigation by, disclosure to, knowledge or imputed knowledge of the Indemnified Parties in respect of any fact or circumstance that reveals the occurrence of any such breach.

### **11.9 Trustee and Agent**

Each Party acknowledges that the other Party is acting as trustee and agent for its other Indemnified Parties, on whose behalf and for whose benefit the indemnity in Section 11.1 is provided and that such remaining Indemnified Parties shall have the full right and entitlement to take the benefit of and enforce such indemnity notwithstanding that they may not individually be Parties to this Agreement. Each Party agrees that the other Party may enforce the indemnity for and on behalf of such other Indemnified Parties and, in such event, the Party from whom indemnification is sought will not in any proceeding to enforce the indemnity by or on behalf of such other Indemnified Parties assert any defence thereto based on the absence of authority or consideration or privity of contract and irrevocably waives the benefit of any such defence.

## **ARTICLE 12 GENERAL**

### **12.1 Public Notices**

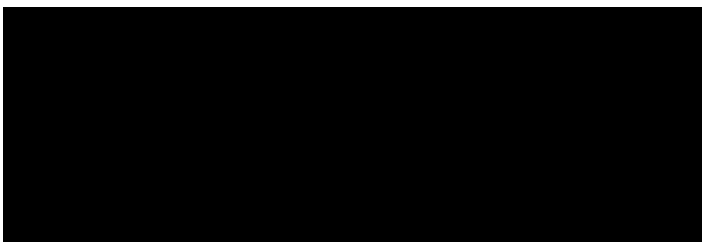
The Purchaser shall have the sole right to determine that it is required to make a public announcement or other disclosure in respect of this Agreement or the transactions contemplated hereby or otherwise communicate with any news media. Unless otherwise required by Laws or stock exchange requirements (based upon the reasonable advice of counsel), the Vendors shall not make any public announcements in respect of this Agreement or the transactions contemplated hereby or otherwise communicate with any news media without the prior written consent of the Purchaser (as to both timing and content of such announcement or communication).

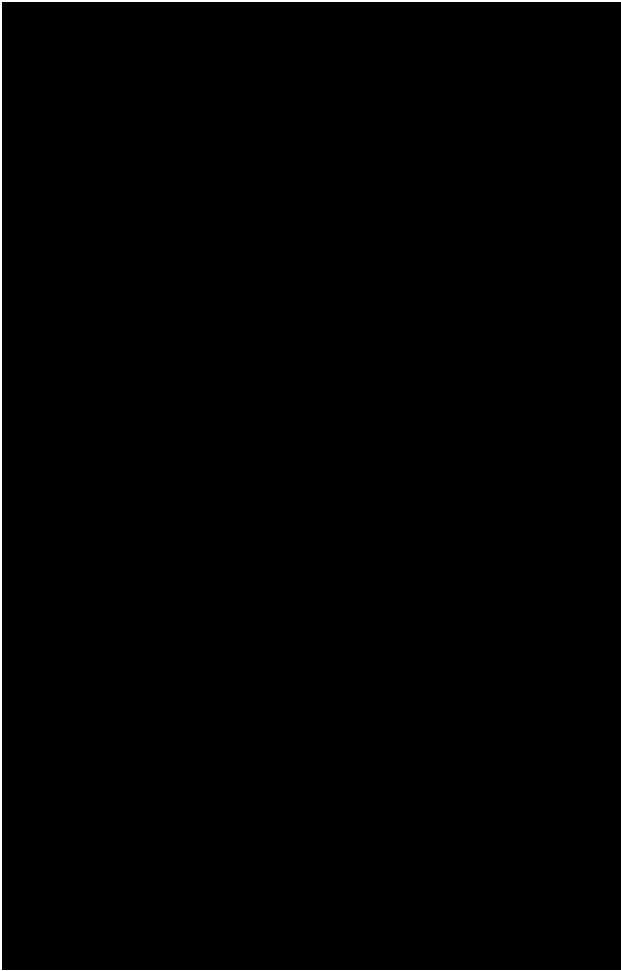
### **12.2 Expenses**

Each of the Parties shall pay all of their respective costs and expenses (including the fees and disbursements of legal counsel and other advisers) incurred by them in connection with the negotiation, preparation and execution of this Agreement and the transactions contemplated by this Agreement.

### **12.3 Notices**

Any notice, consent or approval required or permitted to be given in connection with this Agreement (in this Section referred to as a "**Notice**") shall be in writing and shall be sufficiently given if delivered (whether in Person, by courier service or other personal method of delivery), or if transmitted by facsimile or e-mail:





Any Notice delivered or transmitted to a Party as provided above shall be deemed to have been given and received on the day it is delivered or transmitted, provided that it is delivered or transmitted on a Business Day prior to 5:00 p.m. local time in the place of delivery or receipt. However, if the Notice is delivered or transmitted after 5:00 p.m. local time or if such day is not a Business Day then the Notice shall be deemed to have been given and received on the next Business Day.

Any Party may, from time to time, change its address by giving Notice to the other Parties in accordance with the provisions of this Section.

**12.4 Assignment**

The Purchaser shall be entitled to assign all of their rights and obligations under this Agreement to any of its Affiliates. Except for such permitted assignment by the Purchaser to any of its Affiliates, no Party may assign this Agreement or any rights or obligations under this Agreement without the prior written consent of each of the other Parties.

**12.5 Enurement**

This Agreement enures to the benefit of and is binding upon the Parties and, as applicable, their respective heirs, attorneys, guardians, estate trustees and their respective successors (including any successor by reason of amalgamation of any Party) and permitted assigns.

## **12.6 Amendment**

No amendment, supplement, modification or waiver or termination of this Agreement and, unless otherwise specified, no consent or approval by any Party, is binding unless executed in writing by the Party to be bound thereby.

## **12.7 Further Assurances**

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

## **12.8 Execution and Delivery**

This Agreement may be executed by the Parties in counterparts and may be executed and delivered by electronic means and all such counterparts and electronic deliveries together constitute one and the same agreement.

## **12.9 Governing Law**

This Agreement is a contract made under and shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable in the Province of British Columbia. Each Party irrevocably attorns and submits to the exclusive jurisdiction of the courts of the Province of British Columbia situated in the City of Vancouver and waives objection to the venue of any proceeding in such court or that such court provides an inconvenient forum.

## **12.10 Vendors' Representative**

- (a) In order to administer efficiently the determination of certain matters under this Agreement, each of the Vendors hereby designate and appoint Robert Nygren, the Vendors' Representative, as its, his, or her, as the case may be, agent and attorney-in-fact, such designation and appointment being coupled with an interest, with full power of substitution for it, to: (i) give and receive all notices and communications on behalf of each of the Vendors hereunder; (ii) make all decisions and take all actions relating to the Vendors' respective rights, obligations, and remedies under this Agreement including to receive and send notices, to receive and deliver documents, to exercise, enforce, or waive rights or conditions, to give releases and discharges and to defend against indemnification claims of the Purchaser related to a breach of covenant by the Corporation; and (iii) take all actions as are necessary or appropriate in the judgement of the Vendors' Representative in connection with any of the foregoing, including retaining such counsel, accountants, and other professional advisors as the Vendors' Representative reasonably deems necessary to assist it in the performance of its duties hereunder.
- (b) The Vendors' Representative shall receive no compensation for services rendered other than reimbursement of out-of-pocket expenses incurred in connection with the performance of its duties, to be paid by the Vendors. Notices or communications to or from the Vendors' Representative shall constitute notice to or from any applicable Vendor.
- (c) The Purchaser may rely upon any decision, act, consent or instruction of the Vendors' Representative as being the decision, act, consent or instruction of each Vendor. The Purchaser

is hereby relieved from any liability to any Vendor for any acts taken by it in accordance with such decision, act, consent, or instruction of the Vendors' Representative.

- (d) The Vendors' Representative, by signing this Agreement, accepts its responsibility as a Vendors' Representative and covenants and agrees to take all such actions as a required by the Vendors' Representative hereunder.

### **12.11 Independent Legal Advice**

The Parties, including each Vendor, acknowledge that they have executed this Agreement without any undue stress, fear, duress, improper understanding, misrepresentation, coercion, undue influence or false inducement and each further acknowledge that they are entitled, and have been advised, to seek independent legal advice and confirm that by executing this Agreement, they have either sought such independent legal advice or have expressly waived their right to do so.

### **12.12 Severability**

If, in any jurisdiction, any provision of this Agreement or its application to any Party or circumstance is restricted, prohibited or unenforceable, such provision shall, as to such jurisdiction, be ineffective only to the extent of such restriction, prohibition or unenforceability without invalidating the remaining provisions of this Agreement and without affecting the validity or enforceability of such provision in any other jurisdiction or without affecting its application to other Parties or circumstances.

### **12.13 Schedules**

The Schedules shall be arranged in separate parts corresponding to the numbered and lettered sections contained herein permitting such disclosure, and the information disclosed in any numbered or lettered part shall be deemed to relate to and to qualify only the particular representation or warranty set forth in the corresponding numbered or lettered Section herein permitting such disclosure. Nothing in any Schedule attached hereto shall be adequate to modify, qualify, or disclose an exception to a representation or warranty made in this Agreement unless such Schedule identifies the modification, qualification, or exception with reasonable particularity. Without limiting the generality of the foregoing, the mere listing (or inclusion of a copy) of a document or other item shall not be adequate to disclose an exception to a representation or warranty made in this Agreement, unless the representation or warranty has to do with the existence of the document or other item itself. No modifications, qualifications, or exceptions to any representations or warranties disclosed on one Schedule shall constitute a modification, qualification, or exception to any other representations or warranties made in this Agreement unless it is reasonably apparent on its face that the disclosures on such Schedule apply to such other representations and warranties.

**[Remainder of page intentionally left blank]**



IN WITNESS OF WHICH the Parties have executed this Agreement.

**THE VENDORS:**

**ETC3 HOLDINGS LTD.**

*“Robert Nygren”*

\_\_\_\_\_  
Name: Robert Nygren  
Title: President

**KCI HOLDINGS LTD.**

*“Barinder Rasode”*

\_\_\_\_\_  
Name:  
Title:

**PHYTOCONFLUENCE LABS INC.**

*“Ivan Casselman”*

\_\_\_\_\_  
Name: Ivan Casselman  
Title: Chief Psychedelic Officer

**DEVELOPMENT CATALYST STRATEGIC  
CORP.**

*“Alexzander Samuelsson”*

\_\_\_\_\_  
Name: Alexzander Samuelsson  
Title: Chief Research Officer

\_\_\_\_\_  
Witness

*“Robert Nygren”*

\_\_\_\_\_  
**NAME:** Robert Nygren,  
executing as a Vendor and, also, to accept  
appointment as the Vendors’ Representative

---

Witness

---

*“Barinder Rasode”*

**NAME:** Barinder Rasode

---

Witness

---

*“Susan Chapelle”*

**NAME:** Susan Chapelle

---

Witness

---

*“Natasha Kumari”*

**NAME:** Natasha Kumari

---

Witness

---

*“Jessica Fram”*

**NAME:** Jessica Fram

**THE PURCHASER:**

**1246780 B.C. LTD.**

By: "Eli Dusenbury"

Name: Eli Dusenbury

Title: President, Co-CEO, CFO and  
Director

**THE CORPORATION:**

**HAVN RESEARCH INC.**

By: “Susan Chapelle”  
Name: Susan Chapelle  
Title: President and CEO

**SCHEDULE 1  
THE VENDORS**

ETC3 HOLDINGS LTD.

KCI HOLDINGS LTD.

ROBERT NYGREN

BARINDER RASODE

SUSAN CHAPELLE

PHYTOCONFLUENCE LABS INC. (DR. IVAN CASSELMAN)

DEVELOPMENT CATALYST STRATEGIC CORP. (ALEXZANDER SAMUELSSON)

NATASHA KUMARI

JESSICA FRAM

**SCHEDULE 3.1**  
**CONSIDERATION FOR PURCHASED SHARES**

Column A	Column B	Column C	Column D
Vendor	Purchased Shares	Purchaser Shares	Pro Rata Share
ETC3 Holdings Ltd.	168,772	2,250,293	14.77216%
KCI Holdings Ltd.	168,772	2,250,293	14.77216%
Robert Nygren	117,374	2,064,987	13.55571%
Barinder Rasode	117,374	2,064,987	13.55571%
Susan Chapelle	117,374	1,814,987	11.91458%
Phytoconfluence Labs Inc.	117,374	1,964,987	12.89926%
Development Catalyst Strategy Corp.	117,374	1,714,987	11.25812%
Natasha Kumari	50,390	771,865	5.06695%
Jessica Fram	25,196	335,947	2.20534%
<b>Total:</b>	<b>1,000,000</b>	<b>15,233,333</b>	

**SCHEDULE 8.1(j)**

**INVESTOR EXECUTION PAGE**

**TO: 1246780 B.C. LTD.**

The Vendor hereby accepts the foregoing and agrees to be bound by the terms set forth herein and, without limitation, agrees that you may rely upon the covenants, representations and warranties of the undersigned contained herein.

DATED as of this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

Number of Purchaser Shares to be  
purchased at a deemed value of \$0.25 per  
Purchaser Share:

Name (full legal name of Vendor) and  
Address of Vendor:

\_\_\_\_\_  
(address, including postal code)

\_\_\_\_\_  
(telephone number)

\_\_\_\_\_  
(facsimile number)

By: \_\_\_\_\_  
(signature of authorized signatory)

Account Registration Information

---

(name)

---

(account reference, if applicable)

---

---

(address, including postal code)