

**DATED October 20, 2021**

**LEVITEE LABS INC. et al.**

**- and -**

**RIVERFORT GLOBAL OPPORTUNITIES PCC LTD.**

---

**INVESTMENT AGREEMENT**

---

**THIS INVESTMENT AGREEMENT** is made on October 20, 2021

**AMONG**

- (1) **LEVITEE LABS INC.**, a corporation incorporated pursuant to the laws of British Columbia, Canada, whose registered office is at #215 - 800 W. Pender Street, Vancouver, BC, V6C 1J8, (the "**Borrower**"),
- (2) The Persons described in Schedule 5 hereto (the "**Guarantors**");
- (3) **RIVERFORT GLOBAL OPPORTUNITIES PCC LTD.**, a company incorporated in Gibraltar and whose registered office is at Level 1, 1-7 Crutchetts Ramp, Gibraltar, GX11 1AA, Gibraltar ("**RiverFort**").

**INTRODUCTION**

**WHEREAS** RiverFort has agreed to make a convertible loan (the "**Loan**") to the Borrower in the principal amount of up to CAD\$12,000,000 (as amended, this "**Agreement**") subject to and upon the terms and conditions contained herein.

**NOW THEREFORE, FOR VALUE RECEIVED**, and intending to be legally bound, the parties agree as follows:

**AGREED TERMS**

**1. Definitions and Interpretation**

1.1 Definitions

In this Agreement the following expressions have the following meanings, unless the context otherwise requires:

- "Accounting Standards"** means International Financial Reporting Standards issued by the International Accounting Standards Board;
- "Accounts"** the audited consolidated statement of income and comprehensive income, statement of financial position, cashflow statement and statement of changes in equity of the Borrower for the financial year ended on September 30, 2020 (including the notes thereon and the independent auditor's report) and, for the purposes of any repetition of the Warranties, such audited accounts for each subsequent financial year;
- "Admission"** the admission or listing of any Shares (following a Conversion) to trading on the CSE becoming effective under the CSE's rules and policies as published by the CSE and "**Admitted**" shall be construed accordingly;

<b>"Advance"</b>	<p>means the aggregate of:</p> <ul style="list-style-type: none"> <li>(i) the amounts advanced to the Borrower hereunder by RiverFort in accordance with the terms of this Agreement not to exceed the Principal Amount; and</li> <li>(ii) interest accruing in accordance with the terms hereof during the period from the date of this Agreement to the Maturity Date;</li> </ul>
<b>"Affiliate"</b>	<p>means, in relation to RiverFort:</p> <ul style="list-style-type: none"> <li>(a) its subsidiary undertakings, its holding companies and the other subsidiary undertakings of its holding companies;</li> <li>(b) any fund of which RiverFort or RiverFort's general partner, trustee, nominee, manager or advisor, is a general partner, trustee, nominee, manager or advisor; and/or</li> <li>(c) any general partner, limited partner, trustee, nominee, manager of, advisor to, or holder of interests (directly or indirectly) in (i) RiverFort or (ii) any fund referred to in (b) above;</li> </ul>
<b>"Applicable Laws"</b>	<p>means, in respect of any Person, property, transaction, event or course of conduct, all applicable laws, statutes, rules, by-laws and regulations, regulatory policies, stock exchange policies and all applicable official directives, orders, judgments and decrees from Governmental Authorities (including, without limitation, all applicable Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions Laws);</p>
<b>"Anti-Corruption Laws"</b>	<p>means all applicable laws that relate to anti-bribery, anti-corruption, books and records and internal controls, including the <i>Corruption of Foreign Public Officials Act</i> (Canada (S.C. 1998, c.34)) and any similar laws of any other jurisdiction which may apply;</p>
<b>"Anti-Money Laundering Laws"</b>	<p>means all applicable laws that relate to money laundering, terrorist financing, financial record keeping and reporting requirements;</p>
<b>"BCBCA"</b>	<p>means the <i>Business Corporations Act</i> (British Columbia);</p>
<b>"Business Day"</b>	<p>means a day other than a Saturday or Sunday or public holiday on which banks generally in Vancouver, British Columbia, in Toronto, Ontario, and in Montreal, Quebec are open for the transaction of normal banking business;</p>

<b>"Claims"</b>	means any actual or potential claims, actions, proceedings or investigations (whether by governmental or regulatory bodies or otherwise), demands, judgments or awards;
<b>"Closing Date"</b>	the date of this Agreement.
<b>"Closing Share Price"</b>	the share price of the Borrower's Shares equal to the average of the ten daily VWAPs of such shares on the ten trading days immediately prior to the Funding Date. The Closing Share Price was determined and agreed as stated in the Closing Statement;
<b>"Closing Statement"</b>	has the meaning given in clause 2.3(a);
<b>"Committed Advance"</b>	means a further of Advance that has been committed to by RiverFort pursuant to clause 2.4(b). The aggregate value of the Committed Advances to be available to the Borrower during the term of this Agreement is CAD\$2,500,000;
<b>"Committed Advance Availability Period"</b>	the date commencing on the date of this Agreement and ending 12 months later;
<b>"continuing"</b>	in relation to an Event of Default means that the relevant Event of Default has not been remedied or waived in accordance with the terms of this Agreement;
<b>"Conversion"</b>	means the conversion of any principal amount of the Loan into Shares in accordance with Clause 5.1, and <b>"Convert"</b> shall be construed accordingly;
<b>"Conversion Amount"</b>	means the amount of the Loan that is the subject of any Conversion;
<b>"Conversion Notice"</b>	means a written notice from RiverFort to the Borrower pursuant to Clause 5.1 substantially in the form of Schedule 2 specifying the amount of the Loan that RiverFort is electing to Convert;
<b>"CSE"</b>	means the exchange operated under the same name or the Canadian Securities Exchange by CNSX Markets Inc.;
<b>"Default Conversion Price"</b>	means the price per Share that is equal to the floor (i.e. minimum) price permissible under the applicable policies of the CSE;
<b>"Distribution"</b>	means (i) any dividend or other distribution on account of issued shares or other equity interests of the Borrower; (ii) the purchase, redemption or retirement amount of any issued shares, warrants or any other options or rights to acquire shares of the Borrower redeemed, retired or purchased by the Borrower; (iii) any loans or advances made by the Borrower to any Person other than in

the ordinary course of business; or (iv) any payment made on, under or in respect of any debt of the Borrower owed to any direct or indirect shareholder of the Borrower or any Person not at arm's length from any of them (other than payments to RiverFort pursuant to this Agreement;

<b>"Encumbrance"</b>	means any mortgage, charge, assignment by way of security, claim, hypothec, pledge, lien, encumbrance, security interest, title retention, preferential right or trust arrangement or any other security agreement or arrangement, equity interest or third party interest whatsoever having the effect of security;
<b>"Event of Default"</b>	means any of those events set out in Clause 8.1;
<b>"Face Value"</b>	means the principal amount of an Advance plus fixed interest equal to 20% of such Advance;
<b>"Facility Fee"</b>	means the fee payable by the Borrower on the Closing Date that is 3% of the Principal Amount;
<b>"Fixed Conversion Price"</b>	means the price per share obtained by multiplying the Closing Share Price by 1.25. The Fixed Conversion Price was determined and agreed as stated in the Closing Statement;
<b>"Funding Date"</b>	means the date of this Agreement;
<b>"Governmental Authority"</b>	means any government, parliament, legislature, regulatory authority, agency, tribunal, department, commission, board, instrumentality, court, arbitration board or arbitrator or other law, regulation or rule making entity (including any central bank or other comparable authority or agency) having or purporting to have jurisdiction in the circumstances;
<b>"Group"</b>	means the Borrower and its subsidiaries and associated undertakings from time to time and <b>"Group Company"</b> shall be construed accordingly;
<b>"Guarantors"</b>	means the subsidiaries of the Borrower from time to time including those Persons set out in Schedule 5 hereto, and <b>"Guarantor"</b> means any one of them as the context may require and each of their successors and permitted assigns;
<b>"Indebtedness"</b>	means any loan, borrowing or other form of indebtedness, whether secured or unsecured, and including without limitation moneys borrowed and debit balances at banks or other financial institutions, any amount raised pursuant to any issue of bonds, notes, debentures, loan stock or any similar instrument, any amount raised under any other transaction having the commercial effect of a borrowing and any liability in respect of any guarantee

or indemnity for any such amounts;

**“Indemnified Person”** means RiverFort together with its respective partners, shareholders, directors, officers, employees and agents. For greater certainty, in the case of RiverFort, RiverFort Global Capital Ltd., RiverFort Global Opportunities plc and any related partnership or body corporate of such entities and such entities/ and their related partnership’s and body corporates’ respective partners, shareholders, directors, officers employees and agents who shall also be Indemnified Persons for the purposes hereof;

**“Inside Information”** means “material information” (as defined in CSE Policy 1 “Interpretation and General Provisions”) that has not yet been “generally disclosed” (as described in National Policy 51-201 “Disclosure Standards”);

**“Insolvency Event”** means, in relation to the Borrower, any of the following occurring:

(a) if the Borrower consents to or makes a general assignment for the benefit of creditors or makes a proposal under the *Bankruptcy and Insolvency Act* (Canada), the *Companies’ Creditors Arrangement Act* (Canada), the Winding Up and Restructuring Act (Canada) or any other bankruptcy, insolvency or analogous laws in any other relevant jurisdiction;

(b) if any act, matter or thing is done, voluntarily or involuntarily toward, or any action or proceeding is launched or taken to reorganize, readjust, arrange or otherwise terminate the corporate existence of any Borrower, whether by reorganization, winding-up, dissolution, liquidation or otherwise;

(c) if any Borrower becomes bankrupt or insolvent or commits an act of bankruptcy, or any proceeding is commenced against or affecting the Borrower:

(i) seeking to adjudicate it a bankrupt or insolvent;

(ii) seeking liquidation, dissolution, winding up, restructuring, reorganization, arrangement, protection, relief or composition of it or any of its property or debt or making a proposal with respect to it under any law relating to bankruptcy, insolvency, reorganization or compromise of debts or similar laws (including, without limitation, any reorganization, arrangement or compromise of debt under the laws of its jurisdiction of incorporation or organization); or

(iii) seeking appointment of a receiver, receiver and manager, liquidator, trustee, agent, custodian or other

similar official for it or for any part of its properties and assets;

unless such process is released, bonded, satisfied, discharged, vacated or stayed within thirty (30) days after its entry, commencement or levy or is being contested in good faith by such Borrower by proper proceedings;

- “Legal Reservations”** means:
- (a) the principle that equitable remedies may be granted or refused at the discretion of a court;
  - (b) any applicable limitation on enforcement under Applicable Laws relating to insolvency, reorganization and other Applicable Laws generally affecting the rights of creditors;
  - (c) the time barring of claims under any limitation act; and
  - (d) the possibility that an undertaking to assume liability for or indemnify a person against non-payment of stamp duty may be void;
- “Liabilities”** means all Claims which may be alleged, threatened, made or brought by or against or otherwise involve an Indemnified Person and all Losses which may be suffered or incurred by an Indemnified Person including, without limitation, all Losses which an Indemnified Person may incur in investigating, considering, responding to, disputing or defending any Claim (whether or not such Indemnified Person is an actual or potential party to such Claim) or in establishing its right to be indemnified pursuant to Clause 10 of this Agreement, and **“Liability”** shall be construed accordingly;
- “Losses”** means any losses, liabilities, damages, costs, charges or reasonable expenses (including reasonable legal expenses);
- “Material Adverse Change”** means an event or circumstance that constitutes (or might reasonably be expected to constitute) a material adverse change in the assets, financial or trading position or prospects of t, as determined in the sole discretion of RiverFort;
- “Maturity Date”** October 20, 2023;
- “Person”** includes an individual, corporation, partnership, trust, unincorporated association, Governmental Authority or any combination thereof;
- “Principal Amount”** means the amount of up to CAD\$12,000,000;

<b>"Reorganization"</b>	means, in relation to any Borrower, any issue by way of capitalisation of profits or reserves or by way of rights and any consolidation or sub-division or reduction of capital or capital dividend or other reconstruction or adjustment relating to the equity share capital (or any shares, stock or securities derived therefrom) and any other amalgamation, arrangement, reconstruction or compromise affecting the share capital (or any shares, stock or securities derived therefrom);
<b>"Sanctions Laws"</b>	means all applicable economic, financial or other sanctions laws and/or embargos administered or enforced by a competent governmental authority, including without limitation: (i) the United Nations Security Council; (ii) the European Union; (iii) the governmental institutions and agencies of the United States, including the U.S. State Department; (iv) the governmental institutions and agencies of the United Kingdom, including Her Majesty's Treasury; and (v) the Special Economic Measures Act (Canada) (S.C. 1992, c. 17) and the regulations made thereunder, the United Nations Act (Canada) (R.S.C. 1985, c. U-2), and the regulations made thereunder, any other law or regulation promulgated from time to time and administered by the Canadian Department of Foreign Affairs and International Trade and any similar laws enacted in Canada after the date of this Agreement;
<b>"Shares"</b>	means the common shares in the capital of the Borrower and <b>"Share"</b> means any one of them;
<b>"Subsidiary"</b>	bears the same meaning as that contained in section 2(2) of the BCBCA;
<b>"Taxes"</b>	means all present and future taxes, levies, duties, charges, assessments, deductions or withholdings whatsoever, including any interest thereon, and any penalties and fines with respect thereto, imposed, levied, collected or withheld pursuant to any regulation having the force of law and <b>"Taxation"</b> shall be construed accordingly;
<b>"Trading Conditions"</b>	means the following: <ul style="list-style-type: none"> <li>(a) Market Capitalisation:- the market capitalisation of the Borrower (as reported by Bloomberg or equivalent on the day prior to the Drawdown Date) is no less than CAD\$30,000,000;</li> <li>(b) Minimum liquidity – the 10 (ten) day and the 1 (one) month average daily volume traded (as reported by Bloomberg or equivalent) of the Shares of the Borrower is at least CAD\$100,000;</li> <li>(c) Revenue – an average monthly revenue for the Group of no</li> </ul>

	less than CAD\$1,500,000 per month for the preceding 3 months;
<b>"Trading Day"</b>	means any day during which trading of shares on the CSE takes place;
<b>"Tranche 1"</b>	means the initial Advance hereunder in the amount of CAD\$2,500,000;
<b>"Transaction"</b>	has the meaning given in Clause 6.1(k);
<b>"Transaction Documents"</b>	means this Agreement and each document to be entered into pursuant thereto;
<b>"VAT"</b>	means value added tax or other similar sales or turnover tax anywhere in the world;
<b>"VWAP"</b>	means, for any Trading Day and in respect of any shares, the volume weighted average price of such shares on the CSE as reported by Bloomberg (or its equivalent reporting platform) under the symbol allocated to the Borrower from time to time (it being understood that the VWAP reported by Bloomberg (or its equivalent reporting platform) shall be consistent with the VWAP reported on the website of the CSE);
<b>"Warranties"</b>	means the warranties in Clause 6.1; and
<b>"Warrants"</b>	means the Share purchase warrants evidenced by the following Warrant Certificate:  Warrant Certificate No. 2021-10-001 issued in the name of RiverFort evidencing the right to purchase Shares and the exercise price as detailed in the Closing Statement.

## 1.2 Interpretation

- (a) In this Agreement:
- (i) the clause headings are included for convenience only and do not affect the construction of this Agreement;
  - (ii) words denoting the singular include the plural and *vice versa*; and
  - (iii) words denoting one gender include each gender and all genders.
- (b) In this Agreement, unless the context otherwise requires, references to:
- (i) persons include references to natural persons, firms, partnerships, companies, corporations, associations, organisations and trusts (in each case whether or not having a separate legal personality);

- (ii) documents, instruments and agreements are references to such documents, instruments and agreements as modified, amended, varied, supplemented or novated from time to time;
- (iii) receivers are references to receivers of whatsoever nature including, without limitation, receivers and managers and administrative receivers;
- (iv) the term "Company" or a party to this Agreement include, where the context so admits, references to successors, transferees and assigns of any such person;
- (v) recitals, clauses and schedules are references to recitals to this Agreement, clauses of this Agreement and schedules to this Agreement and references to this Agreement include its schedules;
- (vi) paragraphs are references to paragraphs of the schedule in which the references appear;
- (vii) statutory provisions (where the context so admits and unless otherwise expressly provided) are construed as references to those provisions as respectively amended, consolidated, extended or re-enacted from time to time, and to any orders, regulations, instruments or other subordinate legislation made under the relevant statute;
- (viii) a time of day is a reference to Eastern time (Toronto time);
- (ix) USD\$ shall mean the lawful currency of the United States of America;
- (x) CAD\$ shall mean the lawful currency of Canada;
- (xi) £ shall mean British pounds sterling, the official currency of the United Kingdom;
- (xii) if for any purpose hereunder it is necessary to convert any amount in the currency in which it is denominated into another currency, the rate of exchange applied shall be the daily exchange rate published once every Business Day at 16:30 by the Bank of Canada on the Business Day preceding the day as of which any determination of such rate is required to be made under the terms hereof;
- (xiii) a document in the "agreed form" means that document in the form agreed by the Borrower and RiverFort; and
- (xiv) any calculations to be made hereunder (including in a Conversion Notice) shall be made by RiverFort and shall, in the absence of manifest error, be conclusive and binding on all parties to this Agreement.

## 2. Advances

2.1 Subject to satisfaction of the conditions set out in clauses 2.3 to clause 2.6 below, the Loan is available in one or more Advances as follows:

- (a) RiverFort shall advance Tranche 1 to the Borrower on the Funding Date;
- (b) RiverFort will lend each Committed Advance, subject to the terms of clauses 2.1 to 2.3, and conditional upon all of the following conditions having been satisfied or waived during the Committed Advance Availability Period:
  - (i) compliance with the Trading Conditions;
  - (ii) the Advances outstanding (inclusive of the proposed Committed Advance) being no greater than CAD\$3,000,000;
  - (iii) each Committed Advance being no less than CAD\$300,000 gross;
  - (iv) there being no less than 30 days from the Drawdown Date of the previous Committed Advance; and
  - (v) RiverFort has sufficient non-committed cash balances available having regard to the existing capital requirements of RiverFort in line with their relevant capital policies as adopted.

Should RiverFort not be able to provide the relevant capital pursuant to Clause 2.1(v), RiverFort will:

- a) Confirm there is insufficient capital pursuant to Clause 2.1(v) within 2 Business Days of the written request from the Borrower; and
- b) Confirm when it is anticipated that RiverFort will have sufficient capital available to make the Committed Advance.

If RiverFort is unable to fund the Committed Advance within 10 Trading Days of the written request from the Borrower, the Borrower will be released from the right of first refusal obligations at Clause 20 for the value of the requested Committed Advance for a period of 20 Trading Days (or such other duration, if longer, as agreed with RiverFort).

2.2 Except as set out above, the Borrower and RiverFort agree that RiverFort does not have any obligation to make any further Advances to the Borrower pursuant to this Agreement.

2.3 The following conditions precedent shall be satisfied by the Borrower or waived in writing by RiverFort on or before the Closing Date:

- (a) the Borrower has executed a closing statement confirming details regarding the Advance (the "**Closing Statement**"), in a form acceptable to RiverFort;

- (b) the Borrower has delivered to RiverFort this Agreement, a general security agreement (the "GSA") substantially in the form set out as Schedule 3 attached hereto, along with such other documents, instruments, certificates of officers of the Borrower and such opinions of counsel as RiverFort may reasonably request;
- (c) the Warranties remain true and accurate in all material respects;
- (d) the Borrower has paid the one time due diligence fee in the amount of CAD\$12,000.00, excluding applicable taxes, to RiverFort (it being acknowledged by the parties that the Borrower is responsible for any costs relating to any additional due diligence as may be required from time to time as a result of material changes in the business, affairs, capital or control of the Borrower);
- (e) the Borrower has paid legal fee deposit in the amount of CAD\$24,000.00, excluding applicable taxes, to RiverFort;
- (f) the Borrower has delivered the Warrants to RiverFort;
- (g) no Event of Default has occurred and is continuing;
- (h) no event of force majeure has occurred and is continuing;
- (i) the Borrower has paid and RiverFort has received the Facility Fee;
- (j) no Material Adverse Change has occurred and is continuing;
- (k) the Borrower has provided to RiverFort information as it may require to satisfy themselves as to the identity of, its principals, directors and material shareholders and the application of the proceeds of the Loan, in accordance with the requirements of any Anti-Money Laundering Laws;
- (l) the Borrower has complied in all material respects with its obligations under this Agreement; and
- (m) the Borrower has provided to RiverFort all information as it may require to complete customary due diligence, obtain all necessary internal approvals, and satisfy themselves as to satisfaction of the conditions precedent set out in paragraphs 2.3(a) to 2.3(l) above.

2.4 The Borrower agrees to pay the following amounts to RiverFort (in the aggregate not to exceed CAD\$80,000):

- (a) any unpaid amount of all agreed upon direct out-of-pocket expenses incurred by RiverFort in connection with this Agreement; and

- (b) such other amount(s) as may be agreed between the Borrower and RiverFort,

plus in each case any applicable goods and services, sales taxes, or similar taxes.

2.5 The Loan shall only be used for general working capital, administration or business

acquisition costs.

- 2.6 Notwithstanding the above, although the CSE will not provide conditional or prior approval of the Transaction, the closing and funding of the Tranche 1 Advance shall remain subject to the CSE's final acceptance and approval. Accordingly, the proceeds of the Tranche 1 Advance (and any subsequent tranches of the Loan) shall be held in trust by the Borrower for RiverFort until the Borrower has duly filed all of the documents required to be filed with the CSE (in accordance with CSE Policy 6) and the CSE has had an opportunity to review such documents and either not object to the Transaction or otherwise provide confirmation of its acceptance and approval of the Transaction. If no objection letter or adverse feedback (whether oral or in writing) is received by the Borrower from the CSE in the three (3) Business Days after the Borrower submits its amended Form 9 and Certificate of Compliance to the CSE in regard to this Transaction, then the parties agree that for the purposes of this Agreement CSE shall be deemed to have approved following the end of the third (3<sup>rd</sup>) Business Day the Transaction and the proceeds from the Loan can be released from trust and provided to the Borrower.

### **3. Interest**

- 3.1 Subject to the remainder of this Clause 3, interest shall be payable by the Borrower in respect of Tranche 1 in the amount equal to a fixed interest of ten percent (10%) per annum of the Tranche 1 Advance for the period commencing on the date of the Advance and ending on the Maturity Date, and in respect of subsequent Committed Advances, in the amount equal to twenty percent (20%) of the amount of such Advance for the period commencing on the drawdown of the relevant Advance and the Maturity Date, respectively. There shall be no reduction in the amount of interest that accrues or is owing by the Borrower to the Lender as a result of any early repayment by the Borrower, Conversion at the election of the Lender, or otherwise and therefore, accordingly, the interest on the Advance is fixed. Any unpaid interest shall be payable in full on the earlier of the Maturity Date or the balance of the relevant Advance being prepaid by agreement of the parties.
- 3.2 The Borrower shall provide the Lender with 25% warrant coverage for each Advance, which shall be determined as the number of warrants that is equal to the 25% of the principal amount of the Advance divided by the Company's closing share price on the CSE on the trading day prior to the Advance. The strike price of such warrants will be set at 150% of such closing price and the warrants will expire three years after the date they are granted.
- 3.3 Default interest shall accrue at a rate of thirty three percent (33%) per annum in respect of any amount that the Borrower fails to pay when due (including, for greater certainty, the Maturity Date) until such time as the amount (together with the applicable accrued default interest) has been paid to RiverFort. Default interest will accrue on a daily basis and will be calculated on a 365-day year. The Borrower shall pay such default interest as may be due in respect of any overdue amount at the same time as repaying the relevant overdue amount.
- 3.4 The annual rates of interest or fees to which the rates calculated in accordance with this Agreement are equivalent, are the rates so calculated multiplied by the actual number of days in the calendar year in which such calculation is made and divided by 365. The Borrower confirms that it fully understands and is able to calculate the rate of interest

applicable to the Loan based on the methodology for calculating per annum rates provided for in this Agreement. The Borrower hereby irrevocably agrees not to plead or assert, whether by way of defence or otherwise, in any proceeding relating to this Agreement, that the interest payable under this Agreement and the calculation thereof has not been adequately disclosed to the Borrower, whether pursuant to section 4 of the *Interest Act* (Canada) or any other applicable law or legal principle.

- 3.5 Notwithstanding any other provisions of this Agreement, if the amount of any interest, premium, fees or other monies or any rate of interest stipulated for, taken, reserved or extracted under the Loan Documents would otherwise contravene the provisions of section 347 of the *Criminal Code* (Canada), section 8 of the *Interest Act* (Canada) or any successor or similar legislation, or would exceed the amounts which RiverFort is legally entitled to charge and receive under any law to which such compensation is subject, then such amount or rate of interest shall be reduced to such maximum amount as would not contravene such provision; and to the extent that any excess has been charged or received RiverFort shall apply such excess against the outstanding Advances and refund any further excess amount.

#### **4. Repayment and Prepayment**

- 4.1 The Borrower shall repay the Face Value of Tranche 1 in twenty equal monthly payments of CAD\$150,000 commencing in the month after four full months from the date of the Tranche 1 Advance until the Face Amount of the Tranche 1 Advance including interest as aforesaid is repaid in full. For example, this Agreement is dated October 20, 2021; therefore, the first repayment shall be made on March 20, 2022 and the final (i.e. 20<sup>th</sup>) repayment shall be made on October 20, 2023. Each monthly payment shall be due on the same day of the month (or nearest prior business day), in arrears, and shall be reduced by the Conversion Amount in respect of any Conversions in such month. The outstanding Principal Amount and all accrued and unpaid interest shall be payable in full upon on the Maturity Date. An indicative repayment schedule is found attached hereto at Schedule 4.
- 4.2 With respect to any Committed Advance, the repayment dates for such Committed Advance will be split into equal monthly instalments between the relevant drawdown date and the Maturity Date (being confirmed in the closing statement for such Committed Advance).
- 4.3 The Borrower shall be entitled, upon giving 10 days' prior written notice to RiverFort to prepay an eligible portion of the outstanding amount of the Loan at any time, in whole and not in part (plus all accrued and unpaid interest), provided that:
- (a) the 5-day VWAP of the Shares is less than the Fixed Conversion Price on the date of the prepayment notice and the date of prepayment; and
  - (b) the closing price of the Shares on the day prior to prepayment is less than the Fixed Conversion Price (collectively the "**Specified Prices**").

If (a) the applicable prices of the Shares on the CSE are above the Specified Prices; and (b) the outstanding balance owing by the Borrower to RiverFort pursuant to the Loan is greater than 50% of the outstanding Face Value of all Advances, then the Borrower may prepay to RiverFort the amount owing by the Borrower to RiverFort that is in excess of 50% of the Face Value of all Advances. For example, with Tranche 1 alone (which has a Face Value of

CAD\$3,000,000), if four payments have been made by the Borrower to RiverFort (at CAD\$150,000 per payment, for a total of CAD\$600,000, as per clause 4.1 and Schedule 4 of this Agreement) and the outstanding balance owing by the Borrower to RiverFort pursuant to Tranche 1 is therefore CAD\$2,400,000, then the Borrower will be able to prepay up to CAD\$900,000 (which equals CAD\$3,000,000 minus CAD\$600,000 minus (50% of CAD\$3,000,000)), if the applicable prices of the Shares on the CSE are above the Specified Prices. For another example, with Tranche 1, if 10 payments have been made by the Borrower to RiverFort (at CAD\$150,000 per payment, for a total of CAD\$1,500,000) and the outstanding balance owing by the Borrower to RiverFort pursuant to Tranche 1 is therefore CAD\$1,500,000, then the Borrower will not be able to prepay any amount (since CAD\$3,000,000 minus CAD\$1,500,000 minus (50% of CAD\$3,000,000) equals zero).

The Borrower acknowledges and agrees that between the delivery of the aforementioned 10 days' prior written notice to RiverFort and the actual prepayment of the applicable amount of the Loan outstanding, in whole and not in part (plus all accrued and unpaid interest), pursuant to this Clause 4.2, RiverFort shall continue to have the right to, in its absolute discretion, Convert any principal amount of the Loan into Shares in accordance with Clause 5.1.

4.4 Upon either:

- (a) the outstanding balances accrued to RiverFort being reduced to CAD\$1,000,000; or less; or
- (b) the outstanding balances accrued to RiverFort being reduced to CAD\$1,500,000 or less and the daily volume weighted average share price of the Borrower (excluding any consolidation or restructuring) for the last 20 Trading Days is CAD\$0.77 or greater (as at the written time of the notice from the Borrower);

the Borrower may upon direction to RiverFort require that the GSA be terminated and that any related personal property act security or similar registrations be discharged. After the receipt of such direction, and upon the termination and discharge of the GSA, no further Committed Advances shall be available under clause 2.1(b) and the Committed Advance Availability Period will immediately terminate.

## **5. Conversion**

- 5.1 Subject to Clause 5.6, RiverFort may, in its absolute discretion, at any time prior to the Maturity Date, by one or more Conversion Notices to the Borrower, elect to Convert up to 50% of the outstanding Principal Amount of the Loan as is specified in each Conversion Notice.
- 5.2 Upon receipt of any Conversion Notice, the Borrower shall either, at the Borrower's option,
  - (i) pay to RiverFort the Conversion Amount in cash where the amount of cash shall be determined by multiplying the number of Shares indicated in the Conversion Notice by the closing price of the Shares on the CSE as at the date of the Conversion Notice (or the last available trading day before such date if the date of the Conversion Notice is not a Business

Day); or (ii) discharge its obligation to pay the Conversion Amount specified for Conversion in the Conversion Notice, and shall accordingly be released from its liability to pay such Conversion Amount to RiverFort, by allotting, issuing and delivering to RiverFort (in the manner specified in the Conversion Notice) such number of Shares (rounded down to the nearest whole share) as is equal to the Conversion Amount divided by the following:

- (a) the Fixed Conversion Price; or
- (b) in the event that the Borrower is in default of this Agreement, the Default Conversion Price.

For the avoidance of doubt: (i) the Default Conversion Price can only be used in the event that the Borrower is in default of this Agreement; and (ii) any Conversion shall relate to the amounts owing by the Borrower as specified in the Conversion Notice including principal, premium on principal and interest.

- 5.3 Any amount to be satisfied pursuant to a Conversion shall not be satisfied until such time as the allotment, issuance and delivery of the relevant number of Shares to RiverFort (in the manner specified in the Conversion Notice) has been completed. Such Shares shall be allotted, issued and delivered as soon as practicable and in any event by no later than the fourth Trading Day following the date of the relevant Conversion Notice.
- 5.4 The Borrower acknowledges and agrees that, following delivery of a Conversion Notice, RiverFort may sell any or all of the Shares to be issued to it pursuant to such Conversion Notice prior to the delivery of such Shares to RiverFort, in accordance with the provisions of applicable law.
- 5.5 Subject to the approval of the CSE (in accordance with CSE Policy 6), RiverFort may at its option, once every thirty (30) days, request and require that the debt represented by the interest calculated and accrued hereunder (on a *pro rata* basis reflecting the term of the applicable tranche of the Loan) be converted into Shares at a private placement price equal to 90% of the last closing price of the Shares on the day prior to such conversion. Such conversion shall occur on the terms set out in Clause 5.3.

For example, the Tranche 1 Advance involves a principal amount of CAD\$2,500,000 and interest of CAD\$500,000 and the term of the Tranche 1 Advance is 24 months. Therefore, for the purpose of Section 5.5 of this Agreement only, interest shall be deemed to accrue at a rate of CAD\$20,833.33 per month during the term of the Tranche 1 Advance. Six (6) months after the Funding Date, the deemed accrued interest for the purpose of Section 5.5 of this Agreement shall total CAD\$125,000. Assume that six (6) months after the Funding Date the Shares are trading on the CSE at a price of CAD\$0.50 per Share (based upon the closing price the day before the Borrower files with the CSE a Form 9 "Notice of Proposed Issuance of Securities" related to RiverFort's interest conversion request. Therefore, the Borrower will convert CAD\$125,000 of the interest owing on the Tranche 1 Advance into Shares at a value of CAD\$0.45 per Share.

- 5.6 If any Reorganization takes place after the date of this Agreement, such amendments to the Fixed Conversion Price shall be made as the auditors of the Borrower shall certify to be fair and reasonable. The Borrower shall procure that its auditors are instructed to determine

any such changes as soon as reasonably practicable upon any such Reorganization taking effect and to report such changes to RiverFort and the Borrower in writing, in default of which RiverFort may instruct such expert as it sees fit to make such determination. The Borrower's auditors (or such expert as is appointed by RiverFort) shall be deemed to be acting as experts and not as arbitrators and their determination shall, in the absence of manifest error, be final and binding on the parties. The fees of the Borrower's auditors (and such expert as is appointed by RiverFort) shall be borne by the Borrower.

- 5.7 If the CSE will not accept the adjustments or price amendment provisions referred to in Clause 5.5 above, then any Reorganization (and any agreement related thereto) shall be subject to and conditional upon the prior written approval of RiverFort.

## **6. Warranties and Undertakings**

- 6.1 The Borrower warrants to RiverFort as at the date of this Agreement, that:

- (a) it is duly incorporated and validly existing and is fully qualified and empowered to own its assets and carry on its businesses;
- (b) it has all powers, consents, authorisations or approvals necessary to:
  - (i) enter into and comply with its obligations under this Agreement and each of the other Transaction Documents;
  - (ii) subject to Clause 6.4, allot such number of Shares as are required to fulfil the Borrower's obligations in respect of any Conversion; and
  - (iii) ensure that the obligations expressed to be assumed by it in this Agreement and each of the other Transaction Documents are legal, valid and binding,  
  
including in each case, without limitation, any consent of its shareholders or any class of them;
- (c) the execution, delivery and performance of this Agreement and the transactions contemplated hereunder have been duly authorized and are not in contravention of Applicable Laws or the terms of the Borrower's articles of incorporation, bylaws, or other organizational documentation, or any contract, indenture, agreement or undertaking to which the Borrower is a party or by which the Borrower or its property are bound;
- (d) the obligations expressed to be assumed by it in this Agreement and each of the other Transaction Documents to which it is party are legal, valid and enforceable obligations binding on it in accordance with their terms;
- (e) no Insolvency Event has occurred in relation to any member of the Group or, so far as the Borrower is aware, would result from the execution of this Agreement;
- (f) no Event of Default is outstanding or would result from the execution of this Agreement;

- (g) no other event is outstanding which constitutes (or with the giving of notice, lapse of time, determination of materiality or the fulfilment of any other applicable condition or any combination of the foregoing, would constitute) a default under any document or agreement which is binding on it, or on any of its revenues or assets which has, or is reasonably likely to have, a material adverse effect on it or its revenues or assets;
- (h) its entry into and performance of, and the transactions contemplated by, this Agreement and each of the other Transaction Documents does not and will not:
  - (i) constitute any breach of, or default under, any contractual, governmental or public obligation binding upon it;
  - (ii) conflict with its constating documents; or
  - (iii) result in the creation or imposition of (or enforceability of) any security interest on the whole or any part of its undertakings or assets pursuant to the provisions of any agreement or documents other than under the Transaction Documents;
- (i) the Borrower will not be required to make any deduction or withholding from any payment it makes under this Agreement;
- (j) no action, litigation, arbitration or administrative proceeding of or before any court, tribunal or agency which, if adversely determined is reasonably likely to give rise to a Material Adverse Change, is current or, to its knowledge, pending or threatened, in relation to any member of the Group;
- (k) it is acting for its own account and it has made its own independent decisions to enter into the transactions contemplated in this Agreement and each of the other Transaction Documents (the "**Transaction**") and as to whether the Transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisors as it has deemed necessary;
- (l) it is not relying on any communication (written or oral) from RiverFort or any other Indemnified Person as investment advice or as a recommendation to enter into the Transaction, it being understood that information and explanations related to the terms and conditions of the Transaction shall not be considered investment advice or a recommendation to enter into the Transaction. No communication (written or oral) given by or on behalf of RiverFort or any other Indemnified Person shall be deemed to be an assurance or guarantee as to the expected results of the Transaction;
- (m) it is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of the Transaction. It is also capable of assuming, and assumes, the risks of the Transaction;
- (n) neither RiverFort nor any other Indemnified Person is acting as a fiduciary for or as an advisor to the Borrower in connection with the Transaction; and
- (o) the matters set out in Schedule 1 to this Agreement are true, accurate and not

misleading in any material respect.

As at the date of any Conversion, unless otherwise waived by RiverFort, the Borrower shall confirm in writing to RiverFort that the Borrower's warranties set forth in this Agreement are true, accurate and not misleading in any material respect as at the date thereof.

6.2 The Borrower acknowledge that RiverFort is entering into this Agreement in reliance, *inter alia*, on the warranties set out in Clause 6.1.

6.3 The Borrower undertakes to RiverFort that, for so long as any amount is outstanding under this Agreement, it shall:

- (a) obtain, maintain in full force and effect and comply, in all material respects, with the terms of all authorizations, approvals, licences, exemptions, notarizations and consents required to enable them lawfully to enter into and perform its obligations under this Agreement and each of the other Transaction Documents and ensure the legality, validity, enforceability or admissibility in evidence of this Agreement and each of the other Transaction Documents in Canada;
- (b) promptly inform RiverFort upon becoming aware of the occurrence of any Event of Default and, upon receipt of a written request to that effect from RiverFort, confirm to RiverFort that, save as previously notified to RiverFort or as notified in that confirmation, no such Event of Default has occurred;
- (c) comply with, and file in a timely manner all financial reports and other documents required of them under, all Applicable Laws, statutes, regulations, directives, by-laws, orders and codes of conduct and mandatory guidelines which have legal effect in the relevant circumstances, including the BCBCA as amended and to the extent in force, the CSE Rules (and the rules of such other stock exchange on which the Shares are listed from time to time), and all other laws or regulations applicable to them (including the requirements of National Instrument 51-102, as applicable);
- (d) use all reasonable endeavours to procure that the trading of the Shares on the CSE is not suspended or otherwise restricted or terminated and the Borrower will not apply for, or propose any shareholder resolution to approve, the cancellation of the admission of the Shares to trading on the CSE, unless in conjunction with the listing of the Shares on another recognized Canadian stock exchange;
- (e) comply with its obligations to make all announcements required to be made by them in accordance with the requirements of the CSE and all such announcements will, when made, be true, accurate and not misleading in all material respects;
- (f) use all reasonable endeavours to procure that nothing occurs, or fails to occur, which would result in the Borrower being in breach of any of the Warranties if repeated at such time; and
- (g) not, under any circumstances, disclose any material information (as defined in CSE Policy 1 "Interpretation and General Provisions") that has not been generally disclosed to RiverFort or to any advisors or representatives of RiverFort, unless

prior to disclosure of such information the Borrower identify such information as being undisclosed material information and require RiverFort to maintain the confidentiality of such information and provide the proposed recipient with the opportunity to accept or refuse to accept such information for review.

- 6.4 The Borrower undertakes to RiverFort that, to the extent (at any time prior to the Maturity Date) the Borrower does not have sufficient authority to issue such number of Shares as may be required to fulfil the Borrower's obligations in respect of any Conversion, the Borrower shall use reasonable endeavours to procure that specific authority is obtained from its shareholders within 60 days thereof to allot such number of Shares as may be required to fulfil the Borrower's obligations in respect of any Conversion.
- 6.5 The issuance of securities hereunder to RiverFort upon payment of the Loan will be made under the prospectus exemption set out in section 2.10 of National Instrument 45-106 and the issuance of Shares upon Conversion will be made under the prospectus exemption set out in section 2.42 of National Instrument 45-106.

## **7. Covenants**

- 7.1 The Borrower covenants and agrees with RiverFort that, so long as there is any outstanding Indebtedness or obligations hereunder and unless RiverFort otherwise expressly consents in writing:
- (a) The Borrower shall pay or cause to be paid all amounts payable to RiverFort hereunder on the dates and in the manner specified herein and the Borrower shall perform and carry out all of the acts or things to be done by it as provided in this Agreement.
  - (b) The Borrower shall use the proceeds of the Loan only as permitted hereunder.
  - (c) The Borrower shall maintain its, and cause the Group, to maintain its, corporate existence in good standing and shall not take part in, or permit any of the Group to take part in, any dissolution, reorganization, amalgamation, merger or any similar proceeding or arrangement.
  - (d) The Borrower shall conduct its business in such a manner so as to comply in all material respects with all Applicable Laws.
  - (e) The Borrower shall promptly notify RiverFort of any Material Adverse Change.
  - (f) The Borrower shall pay or cause to be paid all Taxes assessed or imposed upon it and upon its property, assets, income, sales, capital or profit, as and when the same become due and payable (unless the same are being disputed diligently and in good faith by the Borrower and being contested by the Borrower).
  - (g) The Borrower shall promptly notify RiverFort of the occurrence of any Default or Event of Default and shall concurrently deliver to RiverFort a detailed statement of a senior officer of the Borrower of the steps, if any, being taken to cure or remedy such Default or Event of Default.

- (h) The Borrower will keep and maintain all property material to the conduct of its business in good working order and condition (ordinary wear and tear and casualty events excepted).
- (i) The Borrower will, at all times, maintain with financially sound and reputable insurers insurance with respect to the assets and property of the Borrower against loss or damage and all other insurance of the kinds and in the amounts customarily insured against or carried by corporations of established reputation engaged in the same or similar businesses.
- (j) At the Borrower's reasonable cost and expense, upon reasonable request of RiverFort, the Borrower shall execute and deliver to RiverFort such further instruments and do and cause to be done such further acts as may be necessary or proper in the reasonable opinion of RiverFort to carry out more effectually the provisions and purposes of this Agreement

7.2 The Borrower and each Guarantor, as applicable, covenants and agrees with RiverFort that, so long as there is any outstanding Indebtedness or obligations hereunder and unless RiverFort otherwise expressly consents in writing:

- (a) The Borrower shall not incur, assume or suffer to exist, contingently or otherwise, any Indebtedness other than fully subordinated Indebtedness, without RiverFort's prior express written consent;
- (b) The Borrower shall not enter into or grant, create, assume or suffer to exist any Encumbrance affecting any of its property, assets or undertaking;
- (c) No Guarantor shall enter into or grant, create, assume or suffer to exist any Encumbrance affecting any of its property, assets or undertaking (whether a tangible or intangible asset);
- (d) The Borrower shall not sell or dispose of any of its property, assets or undertaking outside of the ordinary course of business without RiverFort's express prior written consent;
- (e) From and during the continuance of an Event of Default, the Borrower shall not declare, make or pay, directly or indirectly, any Distributions;
- (f) From and during the continuance of an Event of Default, the Borrower shall not make a payment to any shareholder of the Borrower other than RiverFort in respect of any shareholder loan owing to such shareholder;
- (g) There will be no change of control or disposal of any material assets or material change to the ordinary course of trade of any Guarantor; and
- (h) Any subsidiary that joins the Group of the Borrower will be joined to this Agreement as a guarantor in addition to the existing Guarantors, such joinder agreement to be in a form approved by RiverFort.

## **8. Events of Default**

8.1 Each of the following events is an Event of Default:

- (a) the Borrower fails to repay any amount when due unless such failure to repay is caused by administrative or technical error and the relevant amount is paid in full within five Trading Days of its due date;
- (b) the Shares to be allotted and issued to RiverFort in accordance with Clause 5.2:
  - (i) are not allotted and issued to RiverFort; and/or
  - (ii) Admission of such Shares has not occurred,  
within four Trading Days of the date of the Conversion Notice;
- (c) the Borrower is in breach of any of the other material obligations, undertakings or warranties set out in this Agreement or would be in breach of any such warranties if repeated at any time and, where such breach is capable of remedy, such breach has not been remedied within ten Trading Days of the occurrence of such breach;
- (d) the Borrower fails to comply with the provisions of Clause 6.3;
- (e) a Material Adverse Change occurs;
- (f) an Insolvency Event occurs in relation to any member of the Group;
- (g) the Borrower repudiates any of the Transaction Documents or does or causes to be done any act or thing evidencing an intention to repudiate any of the Transaction Documents;
- (h) all or any part of the Borrower's share capital ceases to trade on the CSE or another stock exchange in Canada, or the trading on the CSE or another stock exchange in Canada of the Borrower's share capital is at any time suspended for a period exceeding five continuous Trading Days;
- (i) at any time any act, condition or thing required to be done, fulfilled or performed by the Borrower in order:
  - (i) to enable the Borrower lawfully to enter into, exercise its rights under or perform the obligations expressed to be assumed by them in this Agreement or any other Transaction Document; or
  - (ii) to ensure that the obligations expressed to be assumed by the Borrower in this Agreement and each of the other Transaction Documents are satisfied,  
  
is not done, fulfilled or performed within any time available to ensure compliance with the same;
- (j) at any time it is or becomes unlawful for the Borrower to perform or comply with any

or all of its material obligations under any of the Transaction Documents or any of the material obligations of the Borrower under any of the Transaction Documents are not (subject to the Legal Reservations), or cease to be, legal, valid and binding; or

- (k) any action, arbitration or administrative proceeding of or before any court, tribunal or agency commences in relation to any member of the Group, which has given rise to, or is reasonably likely to give rise to, a Material Adverse Change.

8.2 On and at any time after the occurrence of an Event of Default which is continuing:

- (a) RiverFort may, in its absolute discretion, by written notice to the Borrower, declare all outstanding principal amounts, any interest and any default interest owing by the Borrower to RiverFort under this Agreement to be immediately due and payable and, upon that declaration, such sums shall become immediately due and payable without further demand or notice of any kind, all of which are hereby expressly waived by the Borrower; and
- (b) any conversion limitations in effect pursuant to Clause 5.5 shall cease to apply and are hereby expressly waived by the Borrower.

## **9. Issue of Shares**

9.1 In any circumstances where the Borrower is required to or elect to issue Shares pursuant to the terms of this Agreement, if not completed in advance the Borrower shall procure that:

- (a) a board meeting of the Borrower is held at which it is resolved that such Shares shall be allotted and issued to RiverFort or as it may direct), credited as fully paid and ranking *pari passu* with all other Shares in issue at the date of the relevant allotment, as soon as practicable and conditional only on Admission;
- (b) an application for Admission is made for such Shares to be Admitted as soon as practicable;
- (c) such treasury direction is provided to the Borrower's registrar and transfer agent and physical share certificates are registered and provided to RiverFort as it may direct;
- (d) the Borrower's registrar registers RiverFort as the holders of the Shares in the register of shareholders of the Borrower; and
- (e) if required by applicable securities legislation, an announcement is released by the Borrower confirming the exercise of Conversion rights, the number of Shares to be allocated to RiverFort and the date on which Admission is expected to occur.

## **10. Indemnities**

The Borrower shall promptly indemnify and keep indemnified each Indemnified Person against all Liabilities which that Indemnified Person may suffer (other than by reason of each Indemnified Person's fraud, gross negligence or wilful misconduct) or incur other than

in any jurisdiction which arise out of or in connection with, directly or indirectly, this Agreement, including without limitation any Liabilities which arise, directly or indirectly, out of or in connection with:

- (a) any default in repayment of the Loan or any part thereof or payment of any interest accrued thereon or any other amount payable under this Agreement on the Maturity Date;
- (b) any other default or breach by the Borrower of the terms of this Agreement or any other Transaction Document, including without limitation any failure by the Borrower to issue Shares to RiverFort as a result of any Conversion;
- (c) any failure by the Borrower or its agents, employees or professional advisors to comply with the Applicable Laws, including the BCBCA, *Criminal Code* (Canada), the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), the *Securities Act* (British Columbia) (including the rules and policies promulgated thereunder), the CSE rules and policies or any other Applicable Laws in relation to the transactions contemplated by this Agreement;
- (d) the occurrence of any Event of Default; and
- (e) any repayment or prepayment of the Loan or part thereof being made after the Maturity Date or any other due date for payment,

including, in any such case, but not limited to, any Losses sustained or incurred in maintaining or funding, the Loan or any part thereof.

Notwithstanding the above, the Borrower shall not indemnify and keep indemnified each Indemnified Person as noted above in the event that RiverFort crystallizes a trading loss on Fixed Conversion, where the Borrower has delivered its shares pursuant to this Agreement.

## **11. Short Selling Restrictions**

11.1 RiverFort agrees that for so long as any amount is outstanding under this Agreement it will not, and it will not cause its Affiliates to, hold any net short position with respect to Shares, except in regard to any trading, hedging or portfolio management positions or activities that RiverFort may undertake or participate in with regard to or involving any borrowed Shares that are the subject of a securities loan agreement made contemporaneously with this Agreement.

## **12. Taxes**

All payments due to be made by the Borrower to RiverFort under this Agreement, whether of principal, interest or otherwise, shall be made without regard to any equities between the Borrower and RiverFort and free and clear of, and without deduction or withholding for, or on account of, any Taxes, except to the extent the Borrower is required by law to deduct or withhold any Taxes on any amounts payable hereunder. The Borrower shall use its reasonable endeavours to obtain from the applicable authority as soon as possible after making such payment (to the extent it are issued by such authority) an official receipt or

other appropriate evidence issued by such authority evidencing that the payment has been duly remitted to the appropriate authority and shall furnish RiverFort within 10 days of receipt of the same such official receipt or evidence.

**13. Illegality and Increased Costs**

13.1 Illegality

If it is or becomes contrary to any law or regulation for RiverFort to make available the Principal Amount of the Loan (or any participation therein) or to maintain its obligations to do so, RiverFort shall promptly notify the Borrower whereupon (a) RiverFort's obligations to make the principal amount of the Loan available shall be terminated and (b) the Borrower shall be obliged to prepay all relevant amounts to RiverFort on the later of (i) forthwith or (ii) on a future specified date on or before the latest date permitted by the relevant law or regulation.

**14. Set off**

The Borrower agrees that RiverFort may at any time without notice or further demand, notwithstanding any settlement of account or other matter whatsoever, combine or consolidate all monies then held by RiverFort for the Borrower and set-off any such sum against monies outstanding under this Agreement or the Warrants.

**15. Costs and Expenses**

Subject to Clauses 2.4 and 10, the parties shall bear their own costs and expenses in relation to the negotiation, preparation, execution and carrying into effect of this Agreement.

**16. Benefit of this Agreement**

This Agreement shall be binding upon and enure to the benefit of each party to this Agreement and its lawful successors and permitted assigns.

**17. Assignments and Transfers by the Borrower**

The Borrower may not assign or transfer its rights, benefits and obligations under this Agreement.

**18. Assignments and Transfers by RiverFort**

18.1 Except with respect to any assignments or transfers by RiverFort to (a) any Affiliates of RiverFort or (b) any entity which has substantially the same beneficial owners as RiverFort, RiverFort may not, without the prior written consent of the Borrower, assign or transfer all or any of its rights, benefits and/or obligations under this Agreement.

18.2 In the event that RiverFort wishes to transfer any of its obligations under this Agreement in accordance with Clause 18.1 (whether pursuant to a transfer permitted by Clause 18.1 or otherwise with the prior written consent of the Borrower), the Borrower shall promptly enter into a deed of novation in a form satisfactory to RiverFort (acting reasonably).

**19. Disclosure of Information and Confidentiality**

- 19.1 RiverFort may disclose to any person with whom it is proposing to enter into (or has entered into) any kind of assignment or transfer in relation to this Agreement any information concerning the Borrower as RiverFort may in its discretion think fit save that it may not disclose information of a confidential nature without first obtaining from such person a confidentiality agreement in which such person undertakes to keep such information strictly confidential.
- 19.2 The Borrower shall not under any circumstances disclose any Inside Information to RiverFort, or to any of their advisors or representatives, unless prior to such disclosure the Borrower identifies such information as being Inside Information and provide RiverFort, such advisors and/or representatives (as applicable) with the opportunity to accept or refuse to accept the disclosure of such information.
- 19.3 In the event that any disclosure made by RiverFort pursuant to Clause 19.1 involves the disclosure of Inside Information, RiverFort shall notify the Borrower of such disclosure as soon as reasonably practicable so as to assist the Borrower in complying with its obligations under applicable securities legislation, CSE Policy 5 and the practices and guidance described in National Policy 51-201.

**20. Right of First Refusal**

- 20.1 For a period ending twelve (12) months following the Maturity Date, the Borrower agrees that it shall not negotiate, announce or enter into any structured finance facility (including any debt or prepayment facility or any transaction of any kind whereby shares may be used to settle obligations (whether such right is to shares or a right to subscribe in shares by way of option or warrants)) unless the Borrower has firstly offered RiverFort the opportunity to fulfil the Borrower's structured finance requirements. For certainty, this section does not apply to any securities offerings undertaken by the Borrower at a fixed subscription price, or to any conventional debt financing undertaken in the ordinary course of business with RiverFort's prior written consent.

**21. Loan Guarantee**

- 21.1 Each Guarantor hereby agrees that it is jointly and severally liable for, and, as a primary obligor and not merely as surety, absolutely, unconditionally and irrevocably guarantees to RiverFort, the prompt payment when due, whether at stated maturity, upon acceleration or otherwise, and at all times thereafter, of the Indebtedness and obligations of the Borrower hereunder and all costs and expenses for which the Borrower would otherwise be liable as provided in this Agreement and expenses paid or incurred by RiverFort in endeavouring to collect all or any part of the Indebtedness and obligations from, or in prosecuting any action against, the Borrower, any Guarantor or any other guarantor of all or any part of the Indebtedness and obligations in the manner set forth in this Agreement (such costs and expenses, together with the Indebtedness and obligations of the Borrower hereunder, collectively the "**Guaranteed Obligations**"). Each Guarantor further agrees that the Guaranteed Obligations may be extended or renewed in whole or in part without notice to or further assent from it, and that it remains bound upon its guarantee notwithstanding any such extension or renewal.

- 21.2 This Guarantee is a guarantee of payment and not of collection. Each Guarantor waives any right to require RiverFort to sue the Borrower, any Guarantor, any other guarantor of, or any other Person obligated for all or any part of the Guaranteed Obligations (each, an "**Obligated Party**"), or otherwise to enforce its payment against any collateral securing all or any part of the Guaranteed Obligations.
- 21.3 Except as otherwise provided for herein, the obligations of each Guarantor hereunder are unconditional and absolute and not subject to any reduction, limitation, impairment or termination for any reason (other than the indefeasible payment in full in cash of the Guaranteed Obligations), including: (i) any claim of waiver, release, extension, renewal, settlement, surrender, alteration or compromise of any of the Guaranteed Obligations, by operation of law or otherwise; (ii) any change in the corporate existence, structure or ownership of the Borrower or any other Obligated Party liable for any of the Guaranteed Obligations; (iii) any insolvency, bankruptcy, reorganization or other similar proceeding affecting any Obligated Party or their assets or any resulting release or discharge of any obligation of any Obligated Party; or (iv) the existence of any claim, setoff or other rights which any Guarantor may have at any time against any Obligated Party, RiverFort or any other Person, whether in connection herewith or in any unrelated transactions.
- 21.4 The obligations of each Guarantor hereunder are not subject to any defence or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of any of the Guaranteed Obligations or otherwise, or any provision of applicable law or regulation purporting to prohibit payment by any Obligated Party, of the Guaranteed Obligations or any part thereof.
- 21.5 Further, the obligations of any Guarantor hereunder are not discharged or impaired or otherwise affected by: (i) the failure of RiverFort to assert any claim or demand or to enforce any remedy with respect to all or any part of the Guaranteed Obligations; (ii) any waiver or modification of or supplement to any provision of any agreement relating to the Guaranteed Obligations; or (iii) any default, failure or delay, willful or otherwise, in the payment or performance of any of the Guaranteed Obligations, or any other circumstance, act, omission or delay that might in any manner or to any extent vary the risk of such Guarantor or that would otherwise operate as a discharge of any Guarantor as a matter of law or equity (other than the indefeasible payment in full in cash of the Guaranteed Obligations).
- 21.6 To the fullest extent permitted by applicable law, each Guarantor hereby waives any defence based on or arising out of any defence of the Borrower or any Guarantor or the unenforceability of all or any part of the Guaranteed Obligations from any cause, or the cessation from any cause of the liability of the Borrower, any Guarantor or any other Obligated Party, other than the indefeasible payment in full in cash of the Guaranteed Obligations. Without limiting the generality of the foregoing, each Guarantor irrevocably waives acceptance hereof, presentment, demand, protest and, to the fullest extent permitted by law, any notice not provided for herein, as well as any requirement that at any time any action be taken by any Person against any Obligated Party or any other Person. Each Guarantor confirms that it is not a surety under any applicable law and shall not raise any such law as a defence to its obligations hereunder.
- 21.7 No Guarantor will assert any right, claim or cause of action, including, without limitation, a claim of subrogation, contribution or indemnification, that it has against any Obligated Party

or any collateral, until all the Obligated Parties have fully performed all their obligations to RiverFort.

- 21.8 If at any time any payment of any portion of the Guaranteed Obligations (including a payment effected through exercise of a right of setoff) is rescinded, or must otherwise be restored or returned upon the insolvency, bankruptcy or reorganization of the Borrower or otherwise (including pursuant to any settlement entered into by a Secured Party in its discretion), each Guarantor's obligations under this Guarantee with respect to that payment shall be reinstated at such time as though the payment had not been made and whether or not RiverFort is in possession of this Guarantee. If acceleration of the time for payment of any of the Guaranteed Obligations is stayed upon the insolvency, bankruptcy or reorganization of the Borrower, all such amounts otherwise subject to acceleration under the terms of any agreement relating to the Guaranteed Obligations shall nonetheless be payable by the Guarantors forthwith on demand by RiverFort.

## **22. Remedies and Waivers**

- 22.1 No failure, delay or other relaxation or indulgence on the part of RiverFort to exercise any power, right or remedy shall operate as a waiver thereof nor shall any single or partial exercise or waiver of any power, right or remedy preclude its further exercise or the exercise of any other power, right or remedy.
- 22.2 All rights of RiverFort contained in this Agreement are in addition to all rights vested or to be vested in it pursuant to Applicable Laws.

## **23. Severability**

Each of the provisions of this Agreement is severable and distinct from the others and if at any time one or more of such provisions is or becomes invalid, illegal or unenforceable the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

## **24. Notices**

- 24.1 Any demand, notice or other communication given or made under or in connection with this Agreement will be in writing.
- 24.2 Any such demand, notice or other communication will, if otherwise given or made in accordance with this Clause 24, be deemed to have been duly given or made as follows:
- (a) if delivered by hand or by courier, upon delivery at the address stated in this Agreement; or
  - (b) if sent by e-mail, on the day of transmission,

provided however that, if it is delivered by hand or by courier or sent by e-mail on a day which is not a Trading Day or after 4.00 pm Eastern (Montreal) Time on a Trading Day, it will instead be deemed to have been given or made on the next Trading Day.

- 24.3 Any such demand, notice or other communication will, in the case of delivery by hand or by

courier, be addressed (subject as provided in this Clause 24) to the recipient at the recipient's address stated in this Agreement or at such other address as may from time to time be notified in writing by the recipient to the sender as being the recipient's address for service.

- 24.4 Any such demand, notice or other communication will, in the case of service by e-mail be sent to the recipient using the e-mail set out below.

***The Borrower***

Hand/courier: marked for the attention of Pouya Farmand

E-mail: to Pouya Farmand (pouya@leviteelabs.com)

***RiverFort***

Hand/courier: marked for the attention of Gytis Martinkus.

E-mail: to Gytis Martinkus (gytis.martinkus@riverfortcapital.com)

With a copy to legal@riverfortcapital.com.

- 24.5 The provisions of this Clause 24 will not apply, in the case of service of court documents, to the extent that such provisions are inconsistent with the applicable rules of civil procedure.

**25. Counterparts and Delivery**

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and which together shall constitute one and the same agreement.

**26. Third Party Rights**

Save for the Indemnified Persons, a person who is not a party to this Agreement has no right to enforce or enjoy the benefits of this Agreement.

**27. Law and Jurisdiction**

This Agreement is governed by and shall be construed in accordance with the laws of the Province of British Columbia and the parties submit to the non-exclusive jurisdiction of the courts located in Vancouver, British Columbia to settle any disputes which may arise out of or in connection with this Agreement.

**IN WITNESS** whereof the parties to this Agreement have caused this Agreement to be duly executed on the date written at the beginning of this Agreement.

**RIVERFORT GLOBAL OPPORTUNITIES PCC LTD.**

Per: Gytis Martinkus (signed)  
Name: Gytis Martinkus  
Title: Director

**As Borrower:**

**LEVITEE LABS INC.**

Per: Pouya Farmand (signed)  
Name: Pouya Farmand  
Title: CEO

**As Guarantor:**

**LEVITEE CLINICS INC.**

Per: Pouya Farmand (signed)  
Name: Pouya Farmand  
Title: CEO

**As Guarantor:**

**LEVITEE PHARMACIES INC.**

Per: Pouya Farmand (signed)  
Name: Pouya Farmand  
Title: CEO

**As Guarantor:**

**LEVITEE REAL ESTATE INC.**

Per: Pouya Farmand (signed)  
Name: Pouya Farmand  
Title: CEO

**As Guarantor:**

**LEVITEE LABS HOLDINGS INC.**

Per: Pouya Farmand (signed)  
Name: Pouya Farmand  
Title: CEO

## **SCHEDULE 1**

### **Additional Warranties**

#### **1. Capacity and Compliance with Law and Regulation and Issue of Shares**

- 1.1 The trading of the Shares on the CSE has not ceased or been suspended, the Borrower has not received any notice threatening the continued trading of the Shares on the CSE and the Borrower is not aware of any event which might reasonably be expected to cause such cessation or suspension.
- 1.2 Any Shares to be allotted to RiverFort will be allotted and issued fully paid and free from all Encumbrances whatsoever and will rank *pari passu* in all respects with the existing issued Shares including the right to receive all dividends or other distributions declared, made or paid after the date of allotment (unless the market price of such Shares at the date of delivery to RiverFort is quoted "ex dividend").
- 1.3 Each Group Company has complied in all material respects with all Applicable Laws and has obtained and is in compliance, in all material respects, with the terms and conditions of all licences, permits, leases, concessions, permissions, authorisations and consents necessary for the carrying on of its business, all of which are in full force and effect, and neither the Borrower nor any Group Company is aware of any breach of them and so far as the Borrower is aware there are no circumstances which may prejudice the continuation of them or which indicate that any of them may be revoked or terminated or not renewed, in whole or in part, in the ordinary course of events.
- 1.4 The Borrower have made all announcements required to be made by them to the market under the requirements of applicable securities legislation including NI 51-102 and the CSE rules and all such announcements made by the Borrower were when made true, accurate and not misleading in all material respects. Each expression of opinion or intention or expectation in each such announcement was made on reasonable grounds after reasonable enquiry and was truly and honestly held by the Borrower and was fairly based. There was no other fact known or which could on reasonable enquiry have been known to the Borrower that was omitted from disclosure in any such announcement which, by such omission, made any such statement or expression in any such announcement misleading (by itself or in its context) in any material respect.
- 1.5 No event has occurred and is subsisting or, so far as the Borrower is aware, is about to occur which constitutes or would constitute a default by any Group Company, or result in the acceleration by reason of default of any obligation of any Group Company, under any agreement, undertaking, instrument or arrangement to which any Group Company is a party or by which any of them or any of its respective interests, properties, revenues and assets are bound which would in any such case give rise to a Material Adverse Change.
- 1.6 Save as disclosed by the Borrower in the Accounts, there are in force no options or other agreements which require or may require, or confer any right to require, the issue of any shares or other securities of any Group Company now or at any time after the date of this Agreement. None of the owners or holders of any of the share capital of the Borrower has any rights, in his capacity as such, in relation to the Group other than as set out in the articles of association of the Borrower.

## 2. **The Accounts**

- 2.1 The Accounts have been prepared in accordance with the Accounting Standards and all Applicable Laws, include an unqualified audit opinion, give a true and fair view of the assets and liabilities and state of affairs of the Group as at the end of each of the financial periods to which they relate and of the cash flow and profit and loss for each such period and either make proper provision for or, where appropriate, include a note in accordance with good accounting practice in respect of all material liabilities and capital commitments of the Group, whether actual, deferred, contingent or disputed.
- 2.2 Since the date of the last set of audited Accounts the Group has carried on its business in the ordinary and usual course and there has been no Material Adverse Change.

## 3. **Contracts**

- 3.1 No Group Company is a party to any contract or obligation that is not on an arm's-length basis and which is, in each case, of material importance to the business of the Group.
- 3.2 There are no grounds for the invalidity or rescission, avoidance or repudiation of any agreement or transaction to which any Group Company is a party and no Group Company has received any notice of any intention to terminate any such agreement or repudiate or disclaim any such transaction, and which in each case is of material importance to the business of the Group.

## 4. **Litigation**

- 4.1 No Group Company is engaged in any litigation, arbitration, prosecution or other legal proceedings or government or official investigation or enquiry (together "**Proceedings**").
- 4.2 So far as the Borrower is aware, no such Proceedings are pending or threatened against any Group Company.
- 4.3 There are no circumstances known or which ought to be known by the Borrower that are likely to give rise to any such litigation, arbitration, prosecution or other proceedings, investigations or enquiry, which, either individually or collectively, may give rise to, or has during the 12 months preceding the date of giving of this warranty given rise to, a Material Adverse Change to the financial or trading position of the Group, or which are material for disclosure to the market under the requirements of the CSE or NI 51-102.

## 5. **Insolvency, Winding-up, etc.**

No Insolvency Event has occurred in relation to any Group Company.

## 6. **Indebtedness**

No outstanding indebtedness of any Group Company has become repayable before its stated maturity, nor has any security in respect of such indebtedness become enforceable by reason of default by any Group Company and, to the best of the knowledge, information and belief of the Borrower, no event has occurred which, or circumstances arisen such that,

with the lapse of time and/or the fulfilment of any condition and/or the giving of notice and/or the making of a determination and/or other formality, may result in any such indebtedness becoming so repayable or any such security becoming enforceable, and no person to whom any indebtedness of any Group Company which is repayable on demand is owed has demanded or, to the knowledge of the Borrower, threatened to demand repayment of, or to take any steps to enforce any security for, the same.

7. **Intellectual Property**

No Group Company is materially dependent on any patent rights, know-how, trade marks, service marks, trade names, designs, design rights, copyrights or other similar rights.

8. **Material Licences, etc.**

The Group has all material leases, tenancies, licences, concessions, permits, authorisations, consents or similar agreements or permissions required by the Group to carry on its business.

**SCHEDULE 2**  
**Form of Conversion Notice**

[Date]

LEVITEE LABS INC.

The undersigned hereby elects to convert a portion of the indebtedness outstanding in favour of RiverFort Global Opportunities PCC Ltd. under the INVESTMENT AGREEMENT dated October [•], 2021 among RiverFort Global Opportunities PCC Ltd. and LEVITEE LABS INC. (the "Borrower") as set forth below into common shares in the capital of the Borrower, according to the conditions stated therein, as of the date hereof.

1	Amount of Advance to be Converted	CAD\$
2	Fixed Conversion Price	CAD\$[•]
3	The closing price of the Shares on the CSE as at the date of this Conversion Notice	_____
4	Default Conversion Price (can only be used if the Borrower is in default of the INVESTMENT AGREEMENT)	_____
5	Applicable Conversion Price	_____
<b>6</b>	<b>Number of common shares to be issued; or</b>	
<b>7</b>	<b>The Cash Payout Amount (being the amount of cash determined by multiplying the number of common shares indicated in the Conversion Notice by the closing price of the Shares on the CSE as at the date of the Conversion Notice)</b>	CAD\$

If issuing common shares, then please issue the shares to the undersigned, register the shares using the following names, and deliver them to the addresses indicated below:

[Insert registration and delivery information for RiverFort]

If electing to pay the cash payout amount, then wire transfer instructions can be obtained from the undersigned.

**Signed** for and on behalf of **RiverFort Global Opportunities PCC Ltd.** by

-----  
 Name:

Position:

**SCHEDULE 3**  
**General Security Agreement**

**Schedule 4**  
**Indicative Repayment Schedule for Tranche 1**  
**(not considering possible conversions and/or prepayments)**

<b>Date</b>	<b>Repayment Number</b>	<b>Repayment Amount</b>
March 20, 2022	1	CAD\$150,000
April 20, 2022	2	CAD\$150,000
May 20, 2022	3	CAD\$150,000
June 20, 2022	4	CAD\$150,000
July 20, 2022	5	CAD\$150,000
August 20, 2022	6	CAD\$150,000
September 20, 2022	7	CAD\$150,000
October 20, 2022	8	CAD\$150,000
November 20, 2022	9	CAD\$150,000
December 20, 2022	10	CAD\$150,000
January 20, 2023	11	CAD\$150,000
February 20, 2023	12	CAD\$150,000
March 20, 2023	13	CAD\$150,000
April 20, 2023	14	CAD\$150,000
May 20, 2023	15	CAD\$150,000
June 20, 2023	16	CAD\$150,000
July 20, 2023	17	CAD\$150,000
August 20, 2023	18	CAD\$150,000
September 20, 2023	19	CAD\$150,000
October 20, 2023	20	<u>CAD\$150,000</u>
		CAD\$3,000,000

For the purpose of this Agreement, each CAD\$150,000 payment above is deemed to include a CAD\$125,000 repayment of principal and a CAD\$25,000 payment of interest.

**Schedule 5**  
**Guarantors**

- LEVITEE CLINICS INC.
- LEVITEE PHARMACIES INC.
- LEVITEE REAL ESTATE INC.
- LEVITEE LABS HOLDINGS INC.