

VEJII HOLDINGS LTD.

-and-

VEDGECO USA INC.

-and-

EACH OF THE VENDORS SET OUT HEREIN

PURCHASE AGREEMENT

December 22, 2021

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PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (this "**Agreement**") is made on the 22nd day of December, 2021

AMONG:

VEJII HOLDINGS LTD., a corporation incorporated under the Laws
(as defined herein) of the Province of British Columbia

(the "**Parent**")

- and -

VEDGECO USA INC., a corporation incorporated under the Laws of
the State of Delaware

(the "**Corporation**")

- and -

**EACH OF THE UNDERSIGNED SHAREHOLDERS OF THE
CORPORATION**

(the "**Vendors**")

WHEREAS:

- A. As at the date hereof, the Vendors are (or will be after the Vesting Date (as defined below)) the beneficial owners of all of the issued and outstanding shares of capital stock of the Corporation (the "**Purchased Shares**") as set out on Schedule A; and
- B. The Parent or any one of its Subsidiaries (as defined below) (the "**Purchaser**") wish to purchase, and the Vendors wish to sell, the Purchased Shares on and subject to the terms and conditions of this Agreement.

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

ARTICLE 1 INTERPRETATION

1.1. **Defined Terms**

In this Agreement and the recitals and schedules attached hereto (the "**Schedules**"), unless there is something in the subject matter or context inconsistent therewith, the following words and terms will have the indicated meanings and grammatical variations of such words and terms will have corresponding meanings:

"Accounts Payable" means, at any point of determination, all trade and other accounts payable, notes payable and other debts due or accruing by the Corporation in connection with the Business relating to goods and/or services received by the Corporation prior to such time;

"Accounts Receivable" means, at any point of determination, all trade and other accounts receivable, notes receivable and other debts due or accruing to the Corporation in connection with the Business relating to goods and/or services provided by the Corporation prior to such time;

"Accredited Investor Questionnaire" means the accredited investor questionnaire, attached hereto as Exhibit A;

"Affiliate" has the meaning ascribed thereto in the *Business Corporations Act* (British Columbia), as amended from time to time;

"Agreement" has the meaning set out in the Preamble and includes the Schedules, all as the same may be amended, modified or replaced from time to time upon the written agreement of the Parties;

"Benefit Plans" has the meaning set out in Section 3.2(ii);

"Business" means acting as a retailer of vegan products including through the operation of the website vedgeco.com and such other business as is carried on by the Corporation from time to time;

"Business Day" means any day other than a day which is a Saturday, Sunday or statutory holiday in Vancouver, British Columbia or Kailua, Hawaii;

"Closing" means the completion of the Transaction;

"Closing Date" means the date of closing of the Transaction;

"Closing Market Price" means the closing price of the Common Shares on the CSE or such other stock exchange on which the Purchaser's Common Shares are then-listed on the applicable date, converted into United States dollars at the Bank of Canada exchange rate on such date;

"Closing Time" means 10:00 a.m. (Vancouver time) on the Closing Date or such other time as the Parties may agree upon in writing;

"Collective Agreement" means all collective bargaining agreements or union agreements, whether written or oral, that the Corporation and any of its Employees are currently subject to, or are proposed to become subject to, and all related documents, including letters of understanding, letters of intent and other written communications with bargaining agents for any Employee which impose any obligations upon the Corporation;

"Common Shares" means the common shares in the capital of the Parent;

"Consideration Shares" has the meaning set out in Section 2.2(a);

"Corporation" has the meaning set out in the Preamble;

"CSE" means the Canadian Securities Exchange;

"Current Assets" means, in respect of the Corporation and as of the Closing Date, cash, prepaid expenses, Accounts Receivable owned by the Corporation, any Inventory, any taxes receivable by the Corporation and any other item to the extent such item is considered to be a current asset calculated on an accrual basis in accordance with the Corporation's past practices.;

"Customers" means all Persons who are customers of the Business carried on by the Corporation;

"Earn Out Milestone" has the meaning set out in Section 2.4;

"Earn Out Shares" has the meaning set out in Section 2.4;

"EBITDA" means earnings before interest, taxes, depreciation and amortization of the Corporation, determined in accordance with IFRS applied in a manner consistent with past practice;

"EBITDA Target 2022" has the meaning set out in Section 2.4(a)(ii);

"EBITDA Target 2023" has the meaning set out in Section 2.4(a)(iv);

"EBITDA Targets" has the meaning set out in Section 2.4(a)(iv);

"Employee" means any employee of the Business as conducted by the Corporation;

"Employment Agreements" means the employment agreements to be entered with certain individuals disclosed in writing to the Purchaser, substantially in the form agreed upon by the Purchaser and each such individual;

"Encumbrances" means all capital lease obligations, mortgages, charges, pledges, security interests, liens, encumbrances, actions, claims, demands and equities of any nature whatsoever or howsoever arising and any rights or privileges capable of becoming any of the foregoing;

"Environmental Laws" means all applicable laws, statutes, regulations, rules, ordinances, by-laws and codes of all federal, provincial, municipal and local governmental bodies (whether administrative, legislative, executive or otherwise) including any judgments, orders, decrees, administrative orders or written administrative requests of any Governmental Entity, or any provision or condition of any permit, licence or other operating authorization of any Governmental Entity applicable to the Business and relating to:

- (a) the protection and preservation of the environment from emissions, discharges, spills, leaks, deposits or other releases of any substances including Hazardous Substances into the environment;
- (b) the manufacture, processing, production, gathering, distribution, use, treatment, storage, disposal, and transport of any dangerous goods, waste or Hazardous Substances; or
- (c) the permitting or licensing of remediation or decontamination of any sites;

"Environmental Permits" includes all orders, certificates, permits, registrations, approvals, consents and Licences issued by any authority of competent jurisdiction under Environmental Laws;

"Fundamental Representations" has the meaning set out in Section 7.4(b);

"Governmental Entity" means any applicable: (a) multinational, federal, provincial, territorial, state, municipal, local or other governmental or public department, court, commission, board, tribunal, bureau, agency or instrumentality, domestic or foreign; (b) any subdivision or authority of any of the foregoing; or (c) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing, and in each case having proper jurisdiction;

"Hazardous Substance" means any substance which is or may become hazardous, toxic or dangerous to persons, property or the environment including any substance declared from time to time to be hazardous, toxic or dangerous under any Environmental Laws;

"IFRS" means International Financial Reporting Standards as issued by the International Accounting Standards Board in effect from time to time;

"Indemnified Party" has the meaning set out in Section 7.6;

"Indemnifying Party" has the meaning set out in Section 7.6;

"Indemnity Claim" has the meaning set out in Section 7.6;

"Intellectual Property" means any intellectual property (whether foreign or domestic, registered or unregistered) used in the operation, conduct or maintenance of the Business, as it is currently and has historically been operated, conducted or maintained, including: (a) all inventions, patents, patent applications and patent disclosures, together with all reissues, continuations, continuations-in-part, revisions, extensions and re-examinations thereof; (b) all trade-marks, trade-names, corporate names, domain names and all goodwill associated therewith; (c) all copyrightable works, copyrights and industrial designs; (d) all confidential information, including all trade secrets, processes, procedures, know-how, methods, data, compilations, databases and the information contained therein (including, for greater certainty, all seismic and other geological or geophysical information); together with: (i) all copies and tangible embodiments of the foregoing, in whatever form or medium (including all computer software and related documentation); (ii) all improvements, modifications, translations, adaptations, refinements, derivations and combinations thereof; (iii) and all applications, registrations and renewals in connection therewith; and (iv) all Intellectual Property Rights related thereto;

"Intellectual Property Rights" includes any right or protection existing from time to time in any jurisdiction, whether registered or not, under any patent Laws or other invention or discovery Laws, copyright Laws, moral rights Laws, trademark or unfair competition Laws, industrial design or design Laws, confidential information Laws, trade secret Laws or other similar Laws and includes any legislation or regulation by any Governmental Entity and judicial decisions under common law or equity;

"Interim Period" means the period between the execution of this Agreement and the Closing;

"Inventory" means the inventory owned by the Corporation and which is to be used and consumed in the normal course of operating the Business;

"Laws" means any and all applicable laws including all statutes, codes, ordinances, decrees, rules, regulations, municipal by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, policies, guidelines,

and general principles of common and civil law and equity of any Governmental Entity, binding on or affecting the Person referred to in the context in which the word is used;

"**Leased Premises**" has the meaning set out in Section 3.2(t);

"**Letter of Intent**" means the letter of intent entered into by the Purchaser and the Corporation dated November 19, 2021;

"**Licences**" has the meaning set out in Section 3.2(e);

"**Losses**" means any amounts on account of damages, losses, deficiencies, costs, liabilities, claims, causes of action, indemnities, fines, penalties and expenses;

"**Managing Vendors**" means Trevor Hitch, Stephen Andolena, Jeannie Andolena and Adrian Anghelescu;

"**Material Adverse Change**" means, with respect to any Person, any change, effect, fact, circumstance, occurrence or event that, individually or in the aggregate, is, or would reasonably be expected to be, material and adverse to the Business, operations, assets, cash flow, liabilities, capitalization, financial condition of such Person and its subsidiaries, taken as a whole, or would, or would reasonably be expected to, prevent, materially delay or materially impair the ability of a Party to consummate the Transaction; *provided, however*, that a Material Adverse Change shall not include any change, effect, fact, circumstance, occurrence or event relating to or resulting from: (i) changes in general economic, financial, currency exchange conditions in Canada; (ii) changes in securities or commodity prices in Canada; (iii) conditions affecting the specific industry in which the Corporation operates as a whole, and not specifically relating to any Person and/or its subsidiaries, including changes in Laws; (iv) any matter which has been publicly disclosed prior to the date hereof; or (v) any changes or effects arising from matters expressly permitted by this Agreement *provided, however*, that any such change referred to above does not primarily relate only to (or have the effect of primarily relating only to) the Corporation or disproportionately adversely affect the Corporation compared to other entities of similar size operating in the industries in which the Corporation operates;

"**Non-Competition Agreement**" means the non-competition, non-solicitation and confidentiality agreement to be entered into among the Vendors, the Corporation and the Purchaser, in a form acceptable to the Parties acting reasonably;

"**Ordinary Course of Business**" or "**Ordinary Course**" means the ordinary course of business consistent with prior custom and practice of the entity to whom such term relates (including with respect to quantity, risk, terms, value and frequency);

"**Outside Date**" means January 31, 2022;

"**Ownership Percentage**" shall be calculated, for each Vendor, by determining the fraction (rounded to the nearest two decimal places) having a numerator equal to the number of Purchased Shares owned by such Vendor at Closing and a denominator equal to the aggregate number of Purchased Shares owned by all the Vendors at Closing all as set forth in Schedule A;

"**Parent**" has the meaning set out in the Preamble;

"**Parties**" means the parties to this Agreement and "**Party**" means any of them;

"Person" includes any individual, corporation, limited liability company, unlimited liability company, partnership, firm, joint venture, syndicate, association, trust, government, Governmental Entity and any other form of entity or organization;

"Personal Information" means private information about an identifiable individual but does not include business contact information provided the collection, use or disclosure, as the case may be, of the business contact information is for the purposes of contacting an individual in that individual's capacity as an employee or an official of an organization and for no other purpose;

"Purchase Price" has the meaning set out in Section 2.2;

"Purchased Shares" has the meaning set out in the Recitals;

"Purchaser" has the meaning set out in the Recitals;

"Purchaser's Counsel" means Bennett Jones LLP;

"Revenue" means the revenue of the Corporation and other business segments operated or managed by the Managing Vendors, as agreed to by the Managing Vendors and the Parent, acting reasonably, as shown on the consolidated financial statements of the Parent for the applicable fiscal year;

"Revenue Target 2022" has the meaning set out in Section 2.4(a)(i);

"Revenue Target 2023" has the meaning set out in Section 2.4(a)(iii);

"Revenue Targets" has the meaning set out in Section 2.4(a)(iii);

"Schedules" has the meaning set out in this Section 1.1;

"Subsidiary" means, with respect to any Person, any corporation, limited liability company, unlimited liability company, public liability company, private limited company, joint venture, partnership or other entity of which such Person (a) beneficially owns, either directly or indirectly, more than fifty percent (50%) of (i) the total combined voting power of all classes of voting securities of such entity, (ii) the total combined equity interests, or (iii) the capital or profit interests, in the case of a partnership; or (b) otherwise has the power to vote or to direct the voting of sufficient securities to elect a majority of the board of directors or similar governing body;

"Tax" or **"Taxes"** means all United States, Canadian, foreign, federal, provincial, state, territorial, municipal or local taxes, levies, duties, tariffs, imposts or assessments, including those relating to net income, capital, goods and services, gross receipts, gross income, capital stock, franchise, profits, employees and payroll, withholding, unemployment, disability, real property, personal property, intangibles, stamp, excise, sales, use, transfer, occupation, value added, ad valorem, customs, premium, windfall profits, or alternative minimum taxes, and any taxes payable under any foreign tax Law, together with any interest, penalties or additions to tax with respect to the foregoing;

"Tax Returns" includes all returns, reports, declarations, designations, elections, notices, filings, forms, statements and other documents (whether in tangible, electronic or other form), including any amendments, schedules, attachments, supplements, appendices and exhibits thereto, claims for refund and information return made, prepared, filed or required to be made, prepared or filed under applicable Laws in respect of Taxes;

"**Third Party Liability**" has the meaning set out in Section 7.6(b);

"**Transaction**" means the acquisition by the Purchaser of all of the Purchased Shares and the transactions ancillary thereto, all as further described and provided for herein;

"**Transaction Documents**" means, collectively, this Agreement, the Employment Agreements, and the Non-Competition Agreement;

"**Transaction Expenses**" means all fees and expenses payable by the Corporation to any person engaged by the Corporation in connection with the negotiation, execution and delivery of this Agreement and the consummation of the Transaction, including: (a) the costs, fees and expenses of investment bankers, legal counsel, accountants, consultants and other advisors engaged by the Corporation; (b) all sale, retention, change of control or similar bonus payments or benefits to any current or former directors, officers, employees and consultants triggered by, or paid as a result of or in connection with, the Transaction; and (c) all fees or other payments payable by the Corporation to any Vendor or an Affiliate of such Vendor as a result of or in connection with, the Transaction; but excluding any amounts that would otherwise be Transaction Expenses but which are fully satisfied by the Corporation as of the Closing Time;

"**Transferred Information**" means the Personal Information to be disclosed or conveyed to the Purchaser or any of its representatives or agents by or on behalf of the Vendors or the Corporation as a result of or in conjunction with the Transaction, and includes all such Personal Information disclosed to the Purchaser during the period leading up to and including the completion of the Transaction;

"**U.S. Securities Act**" has the meaning set out in Section 3.1(i);

"**Vendors**" has the meaning set out in the Preamble;

and

"**Vesting Date**" means the date the restricted stock units issued to certain Vendors will vest in connection with the Transaction in accordance with the terms of such Vendor's award agreement under the Corporation's 2021 Equity Incentive Plan.

1.2. Schedules

The Schedules that are attached to this Agreement are incorporated into this Agreement by reference and are deemed to be a part hereof.

1.3. Currency

Unless otherwise indicated, all dollar amounts referred to in this Agreement are stated in lawful money of the United States.

1.4. Choice of Law

This Agreement, and each of the documents contemplated by or delivered under or in connection with this Agreement (to the extent no choice of law is specified therein) shall be governed by and construed in accordance with the Laws of the Province of British Columbia and the federal Laws of Canada applicable therein, without reference to principles of conflicts of law which would result in the application of the Laws of a different jurisdiction. Each of the Parties irrevocably

attorns and submits to the exclusive jurisdiction of the courts of the Province of British Columbia in respect of the subject matter of this Agreement.

1.5. Interpretation Not Affected by Headings or Party Drafting

The division of this Agreement into articles, sections, paragraphs, subparagraphs and clauses and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "herein", "hereunder" and similar expressions refer to this Agreement and the Schedules hereto and not to any particular article, section, paragraph, clause or other portion hereof and include any agreement or instrument supplementary or ancillary hereto. The term "including" shall mean including without limitation. The Parties acknowledge that their respective legal counsel have reviewed and participated in settling the terms of this Agreement and the Parties hereby agree that any rule of construction to the effect that any ambiguity is to be resolved against the drafting Party shall not be applicable in the interpretation of this Agreement.

1.6. Number and Gender

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

- (a) words in the singular number include the plural and such words will be construed as if the plural had been used;
- (b) words in the plural include the singular and such words will be construed as if the singular had been used; and
- (c) words importing the use of any gender include all genders where the context or Party referred to so requires, and the rest of the affected sentence will be construed as if the necessary grammatical and terminological changes had been made.

1.7. Knowledge

Where any representation or warranty contained in this Agreement or any agreement delivered pursuant to this Agreement is expressly qualified by reference to "the knowledge" of a Party, such qualification shall be deemed to refer to the actual knowledge of such Party without inquiry except as set forth below. The Managing Vendors confirm that they have made a reasonable due and diligent inquiry of such Persons as they considers necessary as to the matters that are the subject of the representation, warranties and agreements contained herein.

ARTICLE 2 **PURCHASE AND SALE**

2.1. Purchase and Sale

On the terms and subject to the fulfillment of the conditions hereof, on the Closing Date the Vendors agree to sell, assign and transfer to the Purchaser legal and beneficial ownership to the Purchased Shares and the Purchaser agrees to purchase the Purchased Shares, free and clear of all liabilities and Encumbrances, and with all rights and benefits attaching thereto.

2.2. Purchase Price

The total purchase price payable for the Purchased Shares and the performance by the Vendors of their obligations hereunder and contemplated hereby shall be \$6,250,000 (the "**Purchase Price**"). The payment of the Purchase Price by the Purchaser to the Vendors shall be made as follows:

- (a) on the Closing Date, the Purchaser will issue such number of Common Shares with a deemed value of \$3,500,000 (the "**Consideration Shares**") to the Vendors, as determined based on a price per Consideration Share of the greater of (a) C\$0.35 per Consideration Share and (b) the Closing Market Price on the date immediately preceding the announcement by the Purchaser of the Transaction; and
- (b) \$2,750,000 will be held back by the Purchaser (the "**Earn Out Amount**") and will be paid in accordance with Section 2.4.

2.3. Allocation of Purchase Price

The Purchase Price shall be allocated among the Vendors as set forth in Schedule 2.3.

2.4. Earn Out

- (a) Subject to Section 2.4(c), the right of the Vendors to receive the Earn Out Amount will be determined as follows:
 - (i) \$550,000 will be payable by the Purchaser to the Vendors, allocated among the Vendors in the same proportions as set forth in Schedule 2.3, if the Corporation earns Revenues of \$8,000,000 or more in the fiscal year ending December 31, 2022 ("**Revenue Target 2022**");
 - (ii) \$550,000 will be payable by the Purchaser to the Vendors, allocated among the Vendors in the same proportions as set forth in Schedule 2.3, if the Corporation achieves EBITDA of negative \$3,500,000 or better in the fiscal year ending December 31, 2022 ("**EBITDA Target 2022**");
 - (iii) \$550,000 will be payable by the Purchaser to the Vendors, allocated among the Vendors in the same proportions as set forth in Schedule 2.3, if the Corporation achieves Revenues of \$30,000,000 or more in the fiscal year ending December 31, 2023 ("**Revenue Target 2023**", together with Revenue Target 2022, the "**Revenue Targets**");
 - (iv) \$550,000 will be payable by the Purchaser to the Vendors, allocated among the Vendors in the same proportions as set forth in Schedule 2.3, if the Corporation achieves EBITDA of \$0 or better in the fiscal year ending December 31, 2023 (the "**EBITDA Target 2023**", together with the EBITDA Target 2022, the "**EBITDA Targets**");
 - (v) \$550,000 will be payable by the Purchaser to the Vendors, allocated among the Vendors in the same proportions as set forth in Schedule 2.3, if each of Jeannie Andolena, Stephen Andolena and Trevor Hitch are employed by the Purchaser or the Corporation on the date that is 24 months following Closing, *provided, however*, that if any of Jeannie Andolena, Stephen Andolena or Trevor Hitch is terminated without cause by the Purchaser, they will be considered to be

employed on the date that is 24 months from the Closing for the purposes of this Section;

((i) through (v), each an "**Earn Out Milestone**").

- (b) The payment of the Earn Out Amount will be satisfied through the issuance of Common Shares (the "**Earn Out Shares**") at an amount equal to the applicable portion of the Earn Out Amount payable for such Earn Out Milestone at a deemed price equal to the Closing Market Price, (i) in respect of the Earn Out Milestones set out in Sections 2.4(a)(i) to 2.4(a)(iv) above, on the date that is two days following release of the Parent's audited annual financial statements for the fiscal years ending December 31, 2022 and 2023, as applicable; and (ii) in respect of the Earn Out Milestone set out in 2.4(a)(v) above, on the date that is 24 months from the Closing
- (c) In the event that the Corporation (a) does not meet a Revenue Target but exceeds 50% of the applicable Revenue Target, the applicable Earn Out Amount payable for such Revenue Target will be calculated based on the percentage of the actual Revenue to the Revenue Target; or (b) does not achieve an EBITDA Target, the applicable Earn Out Amount payable for such EBITDA Target will be reduced on a dollar for dollar basis by the such amount that the actual EBITDA loss was greater than the EBITDA Target.
- (d) The Purchaser will issue the Earn Out Shares within five Business Days after the applicable date set out in Section 2.4(b).
- (e) The Purchaser will provide the Corporation with commercially reasonable advice and support to help the Corporation reach the Revenue Targets. If there is a material change in the direction of the Corporation's business or the scope of the Corporation's products post-closing, the Vendors and the Purchaser will renegotiate the above targets in good faith.

2.5. Lock-Up

The Consideration Shares and the Earn Out Shares will be subject to a four month statutory resale restriction in accordance with Canadian securities Laws and any applicable resale restrictions in accordance United States securities Laws. Consideration Shares and Earn Out Shares issued to Managing Vendors will also be subject to voluntary resale restrictions whereby equal portions of the Consideration Shares and Earn Out Shares held by the Managing Vendors are released from the contractual restriction on resale each fiscal quarter over a period of 24 months from the Closing.

ARTICLE 3 **REPRESENTATIONS AND WARRANTIES**

3.1. Representations and Warranties by the Vendors

Each Vendor hereby severally but not jointly represents and warrants to the Purchaser as follows as of the date hereof, and acknowledges and confirms that notwithstanding any independent searches or investigations that may be undertaken by or on behalf of the Purchaser and notwithstanding any information or document provided to the Purchaser, the Purchaser is relying upon the accuracy of each of such representations and warranties in connection with the purchase of the Purchased Shares and the completion of the Transaction:

- (a) **Existence and Power.** Each Vendor is (i) a natural person of the full age of majority and is of sound mind or (ii) a duly formed trust existing under the Laws of its jurisdiction of formation and has all requisite capacity, power and authority to (A) execute and deliver this Agreement and (B) perform his, her or its obligations hereunder.
- (b) **Authority and Approval.** The execution, delivery and performance by each Vendor of this Agreement and the consummation by each Vendor of the Transaction are within such Party's powers and have been duly authorized by all necessary action on the part of the Corporation.
- (c) **Binding Obligation.** This Agreement and the other agreements contemplated herein constitute, or will constitute once executed and delivered, legal, valid and binding obligations of each Vendor, enforceable against each of them in accordance with the terms hereof and thereof, subject to: (i) bankruptcy, insolvency, moratorium, reorganization and other Laws relating to, or affecting, the enforcement of creditors' rights generally; (ii) the fact that equitable remedies, including the remedies of specific performance and injunctive relief, may only be granted in the discretion of a court; and (iii) the fact that rights to indemnity may be limited under applicable Laws.
- (d) **No Other Agreements.** No Person, other than the Purchaser, has any agreement, option, understanding or commitment, or any right or privilege (whether by law, pre-emptive right or contractual provision) capable of becoming an agreement, option or commitment, for the purchase or other acquisition of any of the Purchased Shares or any other securities in the capital of the Corporation.
- (e) **Contractual and Regulatory Approvals.** None of the Vendors are under any obligation, contractual or otherwise, to obtain the consent of any Person, and no permits, licences, certifications, authorizations or approvals of, or notifications to, any Governmental Entity or contractual counterparty are required to be obtained by any of the Vendors:
 - (i) in connection with the execution, delivery or performance of this Agreement and the other agreements contemplated herein;
 - (ii) to avoid the loss, cancellation or termination of any contract, permit, licence, certification or other authorization relating to the Business; or
 - (iii) in order that the authority of the Corporation to carry on the Business in the Ordinary Course and in the same manner as presently conducted remains in good standing and in full force and effect as of, and following, the completion of the Transaction.
- (f) **Compliance with Constating Documents, Agreements and Licences.** The execution, delivery and performance of this Agreement and each of the other agreements contemplated by or referred to herein by the Vendors and the completion of the Transaction contemplated hereby and thereby, will not constitute or result in a violation, breach or default, or cause the acceleration of any obligations under:
 - (i) any term or provision of the operating agreement or shareholders agreement of the Corporation applicable to or binding upon the Vendors or to which the Vendors are a party;

- (ii) terms of any indenture, contract, agreement (written or oral), instrument or understanding or other obligation or restriction applicable to or binding upon the Vendors or to which the Vendors are a party; or
 - (iii) term or provision of any Licence.
- (g) **Title to Capital Stock.** The Vendors are, or will be following the Vesting Date, the registered and beneficial owner of the Purchased Shares identified on and in the respective amounts set forth in Schedule 3.2(r), with good and marketable title thereto, free and clear of all Encumbrances and the Vendors have full legal right, power and authority to sell, transfer, assign and deliver the Purchased Shares as agreed herein and, without limiting the generality of the foregoing, none of the Purchased Shares are subject to any voting trust, shareholder agreement or voting agreement. Immediately prior to the purchase by the Purchaser of the Purchased Shares, the Purchased Shares shall be validly issued and outstanding as fully paid and non-assessable interests. Upon completion of the Transaction, the Purchaser shall have good and valid legal and beneficial title to the Purchased Shares purchased from the Vendors, free and clear of all Encumbrances.
- (h) **Material Facts Disclosed.** None of the foregoing representations and warranties and no document furnished by the Vendors or on behalf of the Vendors to the Purchaser in connection with the negotiation of the Transaction 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.
- (i) **Accredited Investors.** Each Vendor is an “accredited investor” within the meaning of Rule 501(a)(1) under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), except as otherwise disclosed in writing to Purchaser on or prior to the date hereof. Each Vendor is purchasing Common Shares for investment purposes and not with a view to resale. Each Vendor has had the opportunity to evaluate an investment in Purchaser and has had the opportunity to ask questions and receive answers with respect thereto. Each Vendor acknowledges receipt of all information required to make an informed investment decision.
- (j) **U.S. Securities Act Restrictions.** Each Vendor understands that the Common Shares have not been registered under the U.S. Securities Act or any state securities laws and may not be re-sold except pursuant to an effective registration statement under the U.S. Securities Act and any applicable state securities laws or an applicable exemption from the registration requirements under such laws, including the exemption offered pursuant to Regulation S under the U.S. Securities Act. No sale, disposition or other transfer may be made except as provided in an opinion of counsel acceptable to the Purchaser that such sale, disposition or other transfer is being made pursuant to an effective registration statement or an applicable exemption from the registration requirements of the U.S. Securities Act. Each Vendor agrees that any certificates representing the Common Shares, and any electronic records relating to the Common Shares, shall bear a legend to such effect, in substantially the following form:

"THE COMMON SHARES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR ANY STATE SECURITIES LAWS AND MAY NOT BE RE-SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE

STATE SECURITIES LAWS OR AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER SUCH LAWS, INCLUDING THE EXEMPTION OFFERED PURSUANT TO REGULATION S UNDER THE U.S. SECURITIES ACT. NO SALE, DISPOSITION OR OTHER TRANSFER MAY BE MADE EXCEPT AS PROVIDED IN AN OPINION OF COUNSEL ACCEPTABLE TO THE PURCHASER THAT SUCH SALE, DISPOSITION OR OTHER TRANSFER IS BEING MADE PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT."

3.2. Representations and Warranties by the Managing Vendors

Each Managing Vendor hereby severally but not jointly represents and warrants to the Purchaser as follows as of the date hereof, and acknowledges and confirms that notwithstanding any independent searches or investigations that may be undertaken by or on behalf of the Purchaser and notwithstanding any information or document provided to the Purchaser, the Purchaser is relying upon the accuracy of each of such representations and warranties in connection with the purchase of the Purchased Shares and the completion of the Transaction:

- (a) **Existence and Power.** The Corporation is duly formed, validly existing and in good standing under the Laws of the State of Delaware and has all powers and all governmental licenses, authorizations, permits, consents and approvals required to carry on its Business as now conducted, except for those licenses, authorizations, permits, consents and approvals the absence of which would not, individually or in the aggregate, reasonably be expected to have an effect that is adverse and material to the Corporation's ability to consummate the Transaction.
- (b) **Authority and Approval.** The execution, delivery and performance by the Corporation of this Agreement and the consummation by the Corporation of the Transaction are within such Party's powers and have been duly authorized by all necessary action on the part of the Corporation.
- (c) **Binding Obligation.** This Agreement and the other agreements contemplated herein constitute, or will constitute once executed and delivered, legal, valid and binding obligations of the Corporation enforceable against each of them in accordance with the terms hereof and thereof, subject to: (i) bankruptcy, insolvency, moratorium, reorganization and other Laws relating to, or affecting, the enforcement of creditors' rights generally; (ii) the fact that equitable remedies, including the remedies of specific performance and injunctive relief, may only be granted in the discretion of a court; and (iii) the fact that rights to indemnity may be limited under applicable Laws.
- (d) **Contractual and Regulatory Approvals.** The Corporation is not under any obligation, contractual or otherwise, to obtain the consent of any Person, and no permits, licences, certifications, authorizations or approvals of, or notifications to, any Governmental Entity or contractual counterparty are required to be obtained by the Corporation:
 - (i) in connection with the execution, delivery or performance of this Agreement and the other agreements contemplated herein;
 - (ii) to avoid the loss, cancellation or termination of any contract, permit, licence, certification or other authorization relating to the Business; or

(iii) in order that the authority of the Corporation to carry on the Business in the Ordinary Course and in the same manner as presently conducted remains in good standing and in full force and effect as of, and following, the completion of the Transaction.

(e) **Licences.**

(i) The Corporation holds all necessary licences, permits, registrations and qualifications (collectively, the "**Licences**") in each jurisdiction in which the nature or conduct of the Business or any part thereof or the nature of the assets or properties of the Corporation makes such qualification necessary to enable the Business to be carried on as now conducted or to enable the assets or properties of the Corporation to be owned, leased and operated and each such Licences is set out in Schedule 3.2(e).

(ii) All of the Licences necessary to the operation of the Business, registration or qualification are in place and are valid and subsisting.

(iii) The Business has and is being operated in material compliance with all terms and conditions of such Licences and there are no proceedings in progress, pending or, to the knowledge of the Managing Vendors, threatened, that could result in the revocation, cancellation or suspension of any of such Licences.

(f) **Compliance with Constating Documents, Agreements and Licences.** The execution, delivery and performance of this Agreement and each of the other agreements contemplated by or referred to herein by the Corporation, as applicable, and the completion of the Transaction contemplated hereby and thereby, will not constitute or result in a violation, breach or default, or cause the acceleration of any obligations under:

(i) any term or provision of the operating agreement, articles, bylaws, shareholders agreement or other constating documents of the Corporation;

(ii) the terms of any indenture, contract, agreement (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;

(iii) any term or provision of any Licence or, to the knowledge of the Managing Vendors, any order of any court, Governmental Entity or regulatory body or any Laws or regulations of any jurisdiction in which the Business is carried on; or

(iv) any purchase and sale agreement and/or settlement agreement related to the share capital of the Corporation including any stock option plan or stock option agreement.

(g) **Subsidiaries.** The Corporation has no subsidiaries. The Corporation does not own any shares or other interest in any corporations, partnerships, joint ventures or other beneficial interests in any entities, nor is the Corporation a party to any agreement of any nature to acquire any such shares or partnership or beneficial interests or to acquire or lease any other business operations.

(h) **Minute Books and Corporate Records.** The minutes and corporate records of the Corporation are true and correct and contain true and complete copies of the constituent

documents of the Corporation, and records of transfers and all minutes of all meetings and all resolutions of the directors and members thereof. To the knowledge of the Managing Vendors, the books and records of the Corporation fairly and correctly set out and disclose in all material respects, in accordance with IFRS and consistent with past practice, the assets, liabilities, whether accrued, absolute, contingent or otherwise as at the date thereof, the shareholders equity and, to the knowledge of the Managing Vendors, the financial position of the Corporation as at the date hereof and all material financial transactions of the Corporation have been accurately recorded in such books and records, and the records and minutes of the Corporation contain no material deficiencies.

- (i) **Authorized and Issued Capital.** Immediately prior to the Closing, the authorized and issued capital of the Corporation is or will be as set forth in Schedule A hereto. The Purchased Shares, as at the Closing Date, represent collectively all the capital stock in the Corporation and have been duly authorized and issued in compliance with all applicable Laws including applicable securities Laws and in compliance with the constituent documents of the Corporation or any agreement to which the Corporation is a party, as applicable, or by which it is bound. As at the Closing Date, other than the Purchased Shares, no other capital stock, securities or rights to acquire capital stock or securities (including convertible securities, rights or options) of the Corporation are issued or outstanding.
- (j) **Shareholders Agreements, etc.** There are no investor rights agreements, shareholder agreements, pooling agreements, voting trusts or other similar agreements with respect to the ownership or voting of any of the capital stock in the capital of the Corporation, and, other than as set forth on Schedule 3.2(j), no Person, other than the Purchaser pursuant to the terms of this Agreement, has the right, directly or indirectly, to acquire capital stock in the capital of the Corporation.
- (k) **No Litigation.** There are no actions, suits or proceedings, whether existing, or, to the knowledge of the Managing Vendors, pending or threatened, against or affecting the Corporation at law or in equity or before any foreign, national, territorial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, of any kind, including any action, suit or proceeding which involves the possibility of any judgment against or liability of the Corporation or which could enjoin or prohibit: (A) the Transaction contemplated hereby, or any component thereof; (B) the right of the Purchaser to own the Purchased Shares; or (C) the right of the Corporation to conduct their operations and carry on their Business in the Ordinary Course of Business and operations as they have been carried on in the past.
- (l) **Liabilities.**
 - (i) There are no liabilities of the Corporation of any kind whatsoever, whether or not accrued and whether or not contingent, in respect of which the Corporation may become liable on or after the Closing Date and the consummation of the Transaction, other than:
 - (A) liabilities disclosed or referred to in this Agreement or in the Schedules;
 - (B) Accounts Payable and accrued expenses of the Corporation which, in each case: (1) accrued prior to the Closing Date; (2) were incurred in the Ordinary Course of Business in a manner consistent with past practice;

and (3) which are not more than 90 days past due as of the Closing Date;
or

(C) expenses accrued by the Corporation in connection with the Transaction and which will be paid by the Corporation on or prior to the Closing.

(ii) Without limiting any other provision in this Agreement, there are no liabilities of the Corporation with respect to employees including any accelerated termination, severance, retirement payments or such other liabilities or payments in respect of which the Corporation may become liable on or after the Closing Date and the consummation of the Transaction.

(m) **Absence of Certain Changes or Events.** Since September 30, 2021, the Corporation has not:

(i) incurred any obligation or liability (fixed or contingent), except normal trade or business obligations incurred in the Ordinary Course of Business, none of which is materially adverse to the Business;

(ii) created any Encumbrance upon any of its properties or assets related to the Business;

(iii) had any Employee terminate his, her or their employment or communicate his, her or their intention to do so;

(iv) sold, assigned, transferred, leased or otherwise disposed of any assets other than in the Ordinary Course of Business;

(v) purchased, leased or otherwise acquired any properties or assets other than in the Ordinary Course of Business;

(vi) 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;

(vii) entered into any transaction, contract, agreement or commitment other than in the Ordinary Course of Business;

(viii) terminated, discontinued, closed or disposed of any office, facility, operation or contract relating to the Business;

(ix) had any material Customer terminate, or, to the knowledge of the Managing Vendors, communicate the intention or threat to terminate, its relationship with the Business, or the intention to substantially reduce the quantity of products or services it purchases from the Business, or its dissatisfaction with the products or services supplied by the Business;

(x) had any material supplier of the Business terminate, or, to the knowledge of the Managing Vendors, 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 Business;

- (xi) made any material change with respect to any method of management, operation or accounting in respect of the Business;
 - (xii) 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;
 - (xiii) changed any remuneration payable or benefits provided to any officer, director, consultant or agent of the Business;
 - (xiv) suffered any extraordinary Losses;
 - (xv) made or incurred any Material Adverse Change, or become aware of, any event or condition that would, or could reasonably be expected to, result in a Material Adverse Change; or
 - (xvi) authorized, agreed or otherwise become committed to do any of the foregoing.
- (n) **Capital Expenditures and Dispositions.**
- (i) Except as set forth in Schedule 3.2(n), the Corporation has not committed to make any capital expenditures or authorized any capital expenditures, in each case, in an amount greater than \$10,000, which have not been fulfilled or paid in full as of the date hereof; and
 - (ii) Except as set forth in Schedule 3.2(n), since September 30, 2021 none of the fixed or other non-Current Assets of the Corporation have been disposed of and Schedule 3.2(n) sets forth the book value of any such assets.
- (o) **Dividends and Distributions.** The Corporation has not declared or paid any dividend or made any other distribution in respect of any of its capital stock or redeemed or purchased or otherwise acquired any of its capital stock, or reduced its authorized capital or issued capital, or agreed to any of the foregoing.
- (p) **Tax Matters.**
- (i) **Taxes.** The Corporation has duly and timely: (A) made, prepared and filed all Tax Returns required to be made, prepared or filed by it and such Tax Returns are true, complete and accurate in all material respects; (B) paid all Taxes (including instalments) due and payable by it, whether or not assessed by the appropriate Governmental Entity and made adequate provision in its financial statements for any Taxes not yet due as of the date of such financial statements; and (C) collected or withheld and remitted to the appropriate Governmental Entity all Taxes required to be collected, withheld or remitted by it (including Taxes required to be withheld 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 non-resident Persons) and there are no claims threatened or pending against the Corporation in respect of Taxes nor any basis therefor.
 - (ii) **Agreements and Negotiations with Tax Authorities.** The Corporation has not entered into any agreement, waiver, extension or other arrangement with any

Governmental Entity with respect to Taxes and the Corporation has not engaged in any discussions or negotiations with any Governmental Entities with respect to Taxes.

- (iii) **Tax Audit.** No matter is under audit or appeal with any Governmental Entity relating to the Corporation, nor is any such audit pending or, to the knowledge of the Managing Vendors, threatened, no deficiencies have been asserted by any Governmental Entity in connection with any Taxes or Tax Returns and there is no basis on which any investigation, injunction or Tax proceeding can be started against the Corporation concerning Taxes with regard to Revenues, expenses, transactions or circumstances with respect to the Corporation arising or existing prior to the Closing Date.

(q) **Environmental Matters.**

- (i) The operation of the Business has been and is in material compliance with all Environmental Laws.
- (ii) The Corporation has, in the operation of the Business, materially complied with all reporting and monitoring requirements under all Environmental Laws. With respect to the Business, the Corporation has not received any notice of any non-compliance with any Environmental Laws and has never been convicted of an offence for non-compliance with any Environmental Laws or been fined or otherwise sentenced or settled such prosecution short of conviction, nor is there any basis therefor. No litigation or regulatory action is pending or underway, or, to the knowledge of the Managing Vendors, threatened in respect of any non-compliance with Environmental Laws, including any release of a Hazardous Substance in relation to the Business.
- (iii) The Corporation has all Environmental Permits necessary to conduct the Business and to own, use and operate the assets and properties related to the Business and any leased premises and all such Environmental Permits are valid and in full force and effect and the Corporation is not in material default thereunder. All such Environmental Permits are listed in Schedule 3.2(q) and complete and correct copies thereof have been provided to the Purchaser prior to the date hereof. None of the Environmental Permits shall become void or voidable as a result of the consummation of the Transaction and no consent to the Transaction is required to maintain said Environmental Permits in full force and effect. During the first 180 days after Closing, the Managing Vendors hereby agree to use best efforts to assist the Purchaser with filing all necessary applications and transferring or obtaining all necessary Environmental Permits, if necessary, for operation of the Business.
- (iv) The Corporation has not used, stored, disposed of or handled any Hazardous Substances other than in compliance with applicable Environmental Laws.
- (v) To the knowledge of the Managing Vendors, there has been no release of any Hazardous Substances used, stored, disposed of or handled by the Corporation other than in compliance with applicable Environmental Laws.

- (r) **Title to Capital Stock.** As of the date hereof and immediately prior to the Closing, the authorized and issued capital of the Corporation is or will be as set forth in Schedule 3.2(r) hereto. The Vendors are, or will be following the Vesting Date, the registered and beneficial owner of the Purchased Shares identified on and in the respective amounts set forth in Schedule 3.2(r), with good and marketable title thereto, free and clear of all Encumbrances and the Vendors have full legal right, power and authority to sell, transfer, assign and deliver the Purchased Shares as agreed herein and, without limiting the generality of the foregoing, none of the Purchased Shares are subject to any voting trust, shareholder agreement or voting agreement. Immediately prior to the purchase by the Purchaser of the Purchased Shares, the Purchased Shares shall be validly issued and outstanding as fully paid and non-assessable interests. Upon completion of the Transaction, the Purchaser shall have good and valid legal and beneficial title to the Purchased Shares purchased from the Vendors, free and clear of all Encumbrances.
- (s) **Title to Assets.** Except as disclosed in Schedule 3.2(r), the Corporation is the owner of and has good and marketable title to all of the properties and assets used in connection with the Business, free and clear of all Encumbrances. No Person has any interest (or right capable of becoming an interest) in any of the assets or property owned by the Corporation or used in connection with the Business, other than in the Ordinary Course of Business. The asset list attached to Schedule 3.2(s) is a complete and accurate list, in all material respects, of the assets of the Corporation as at the Closing Date.
- (t) **Leased Premises.** Schedule 3.2(t) describes all leases and agreements to lease under which the Corporation leases any real property (collectively the "**Leased Premises**"). Complete and correct copies of any leases or agreements to lease under which the Corporation leases any real property, have been provided or made available to the Purchaser prior to the date hereof. The Corporation is exclusively entitled to all rights and benefits as lessee under such leases and the Corporation has not sublet, assigned, licenced or otherwise conveyed any rights in the Leased Premises to any Person. All rental and other payments and other obligations required to be paid and performed by the Corporation in respect of real property leases have been duly paid and performed and such leases are in good standing and force and effect. The Corporation is not in material default of any of its obligations under any real property leases and, to the knowledge of the Managing Vendors, no landlord is in material default of any of its obligations under such leases. The use by the Corporation of the Leased Premises is not in breach of any building, zoning or other statute, by-law, ordinance, regulation, covenant, restriction or official plan. The Corporation has unrestricted rights of ingress to and egress from the Leased Premises for the operation of the Business. The Corporation has never owned any real property.
- (u) **Condition of Properties and Equipment.** To the knowledge of the Managing Vendors, the buildings and structures on the Leased Premises are free of any material defect and all systems used in any building or structures on the Leased Premises. All machinery, equipment, tools, furniture, furnishings and materials used in the Business are in good working order, fully operational, and free of any material defect and are adequate and suitable for the uses to which they are being put, normal wear and tear excepted and subject to routine and ordinary maintenance in the Ordinary Course of Business. Each piece of equipment used in the Business has been maintained and repaired by a qualified person and in accordance with industry standards, and has not been condemned, red-tagged, black-listed or otherwise determined to be unsafe or damaged beyond repair by any manufacturer or repair service provider.

- (v) **Leased Personal Property.** The Corporation has no leases for personal property used in or relating to the Business as at the date listed thereon.
- (w) **Condition of Tangible Personal Property.** The tangible personal property comprising the machinery, equipment, furniture, leased equipment and vehicles of the Corporation and the Business is in good operating condition and repair, normal wear and tear excepted. No major repair items are anticipated (except in accordance with standard preventive maintenance) and the standard preventive maintenance operations have been carried out in accordance with the manufacturers' recommendations.
- (x) **Work Orders and Deficiencies.** There are no outstanding work orders, non-compliance orders, deficiency notices or other such notices relating to the Leased Premises or the other properties and assets of the Corporation or the Business that have been issued by any Governmental Entity. There are no matters under discussion with any Governmental Entity relating to work orders, non-compliance orders, deficiency notices or other such notices. The Business is not being carried on, and none of the Leased Premises or the other properties or assets of the Corporation are being operated, in a manner that is in contravention of any statute, regulation, rule, code, standard or policy so as to give rise to any material liability. No amounts are owing by the Corporation in respect of the Leased Premises to any Governmental Entity or public utility, other than current accounts which are not in arrears.
- (y) **Accounts Receivable.** Attached as Schedule 3.2(y) is a true, correct and complete list of the Accounts Receivable as at November 30, 2021. All Accounts Receivable arose from *bona fide* transactions in the Ordinary Course of Business and are valid, enforceable and fully collectible accounts, less a reasonable allowance for bad debt consistent with past practice, and are not subject to any equitable set-off or counterclaim.
- (z) **Accounts Payable.** The list of Accounts Payable attached as Schedule 3.2(z) is a true, correct and complete list of the Accounts Payable as at November 30, 2021, all of which arose from *bona fide* transactions in the Ordinary Course of Business.
- (aa) **Inventory.** The Inventory consists solely of items of the kind and quality regularly used or produced in connection with the Business and are of market value quality. All Inventory was acquired in the Ordinary Course of Business and is saleable, resaleable or useable in the Ordinary Course of Business and for the purpose for which it is intended to be sold or used. Not more than 10% (by value) of the Inventory is obsolete, and the Inventory is at a level consistent with the level of inventories that has been maintained in the operation of the Business prior to the date hereof in accordance with normal business practice. The Inventory has been determined and valued in accordance with IFRS and consistent with past periods.
- (bb) **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 are 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.
- (cc) **Customers and Suppliers.** A list of the ten largest current Customers and the ten largest current suppliers of the Corporation is attached hereto as Schedule 3.2(cc). The Corporation has taken all commercially reasonable precautions to keep the Customer and

supplier lists confidential. Since September 30, 2021, there has been no termination or cancellation of, and no modification or change in, any business relationship of the Corporation with any Customer or supplier of the Business listed on Schedule 3.2(cc). The Managing Vendors have no reason to believe that the benefits of any relationship with any of the Customers or suppliers listed on Schedule 3.2(cc) of the Business will not continue after the Closing Date, in substantially the same manner as prior to the Closing Date.

- (dd) **Restrictions on Doing Business.** The Corporation is not a party to or bound by any agreement in relation to the Business that would restrict or limit the right of the Corporation to carry on any activity or to solicit business from any Person or in any geographical area or otherwise to conduct the Business as the Corporation may determine. The Corporation is not subject to any judgment, order or requirement of any court or Governmental Entity in relation to the Business which is not of general application to Persons carrying on a business similar to the Business. To the knowledge of the Managing Vendors, there are no facts or circumstances in relation to the Business and unrelated to the Purchaser that could materially adversely affect the ability of the Purchaser to continue to operate the Business as presently conducted following the completion of the Transaction.
- (ee) **Licences, Agency and Distribution Agreements.** Schedule 3.2(ee) lists all material agreements to which the Corporation is a party or by which it is bound under which the right to manufacture, use or market any product, service, technology, information, data, computer hardware or software or other property used in or produced or supplied by the Business has been granted, licenced or otherwise provided to or by any other Person, or under which the Corporation has been appointed, or any Person has been appointed by the Corporation, as an agent, distributor, licensee or franchisee for any of the foregoing. Complete and correct copies of all of the agreements listed in Schedule 3.2(ee) have been provided to the Purchaser prior to the date hereof. None of the agreements listed in Schedule 3.2(ee) grant to any Person any authority to incur any liability or obligation or to enter into any agreement on behalf of the Corporation.
- (ff) **Outstanding Agreements.** The Corporation is not a party to or bound by any outstanding or executory agreement, contract or commitment out of the Ordinary Course of Business, whether written or oral, except for the agreements described, or referred to, in this Agreement or in the Schedules.
- (gg) **Good Standing of Agreements.** The Corporation is not in material default or breach of any of its obligations under any one or more contracts, agreements (written or oral), commitments, indentures or other instruments to which it is a party or bound relating to the Business, and, to the knowledge of the Managing Vendors, there exists no state of facts that, after notice or lapse of time or both, would constitute such a material default or breach. All such contracts, agreements, commitments, indentures and other instruments are now in good standing and in full force and effect without amendment thereto, the Corporation is entitled to all benefits thereunder and the other parties to such contracts, agreements, commitments, indentures and other instruments are not in material default or breach of any of their obligations thereunder. There are no contracts, agreements, commitments, indentures or other instruments relating to the Business under which the rights of the Corporation or the performance of its obligations is dependent upon or supported by the guarantee of, or any security provided by, any other Person.

- (hh) **Employees.** The Managing Vendors have disclosed in writing to the Purchaser the name, applicable job title, duration of employment, location of employment, vacation entitlement, employee benefit entitlement and rate of remuneration (including bonus and commission entitlement) and all other entitlements and benefits of each Employee, as at the date of such disclosure. Schedule 3.2(hh) identifies the names of all employment-related claims, human rights and employment standards complaints, grievances, arbitration awards, penalties and assessments in respect of all Employees that are, to the knowledge of the Managing Vendors, currently outstanding.
- (ii) **Employment Agreements, Employee Benefit Plans and Employment Standards.**
- (i) Except as disclosed in Schedule 3.2(ii), the Corporation is not a party to any written or oral employment, service or consulting agreement relating to any one or more Persons, except for oral employment agreements which are of indefinite term and without any special arrangements or commitments with respect to the continuation of employment or payment of any particular amount upon termination of employment. Except as disclosed in Schedule 3.2(ii), the Corporation has no Employee who cannot be dismissed upon such period of notice as is required by Law in respect of a contract of hire for an indefinite term. The Managing Vendors have no reason to believe that any Employee would terminate his, her or their employment as a result of or in anticipation of the Transaction nor are there any change of control agreements in place with Employees.
- (ii) Except as listed in Schedule 3.2(ii), the Corporation does not have, and is not subject to any present or future obligation or liability under, any pension plan, deferred compensation plan, retirement income plan, stock option or stock purchase plan, profit sharing plan, bonus plan or policy, employee group insurance plan, hospitalization plan, disability plan or other employee benefit plan, program, policy or practice, formal or informal, with respect to any of its Employees, other than similar health plans established pursuant to statute or other Law. (The plans, programs, policies, practices and procedures listed in Schedule 3.2(ii) are collectively called the "**Benefit Plans**"). Complete and correct copies of all documentation establishing or relating to the Benefit Plans listed in Schedule 3.2(ii) or, where such Benefit Plans are oral commitments, written summaries of the terms thereof, and the most recent financial statements and actuarial reports related thereto and all reports and returns in respect thereof filed with any regulatory agency within three years prior to the date hereof have been provided to the Purchaser.
- (iii) There are no known or, to the knowledge of the Managing Vendors, pending claims by any employee covered under the Benefit Plans or by any other Person which allege a breach of fiduciary duties or violation of governing Law or which may result in liability to the Corporation and there is, to the knowledge of the Managing Vendors, no basis for such a claim. There are no Employees or former Employees who are receiving any pension or retirement payments from the Corporation or who are entitled to receive any such payments not covered by a pension plan to which the Corporation is a party.
- (iv) The Corporation is in material compliance with all Laws, rules, regulations and orders applicable to it relating to employment, including those relating to wages,

hours, collective bargaining, occupational health and safety, workers' hazardous materials, employment standards, human rights, pay equity and workers' compensation. All amounts due and payable by the Corporation to its Employees and independent contractors have been paid in full and all amounts accruing due to same have been reflected in the financial records of the Corporation. There are no outstanding charges or complaints against the Corporation relating to unfair labour practices or discrimination or under any legislation relating to employees that such company has received notice of, there are no investigations, complaints, proceedings or audits being conducted with respect to any Employees and, to the knowledge of the Managing Vendors, there are no complaints or investigations under occupational health and safety legislation with respect to any Employees. The Corporation has paid in full all amounts owing under applicable workers' compensation Laws. There are no existing or, to the knowledge of the Managing Vendors, threatened labour strikes or labour disputes, grievances, controversies or other labour troubles affecting the Corporation or the Business.

- (v) The Corporation is in compliance with all necessary and applicable pre-qualification standards of, or any other operational standards required or identified by, its Customers with respect to occupational health and safety matters.

(jj) **Collective Agreements.**

- (i) The Corporation is not a party to or bound by or subject to any Collective Agreement and no Collective Agreements are currently being negotiated or are currently subject to negotiation by the Corporation with respect to Employees. The Corporation is not in material violation of any provision under any Collective Agreement;
- (ii) No trade union, labour union or organization, bargaining agent or any other person holds bargaining rights with respect to any of the Employees by way of certification, interim certification, voluntary recognition, or succession rights, or has applied or threatened to apply to be certified as the bargaining agent of any Employees. There are no ongoing, pending, or to the knowledge of the Managing Vendors, threatened, union organizing activities involving any Employees or persons providing services to the Corporation. The Corporation has not engaged in any unfair labour practices and no strike, lock-out, work stoppage or other material labour dispute is occurring and no such event has occurred within the last two years. There are no pending or, to the knowledge of the Managing Vendors, threatened strikes, work stoppages, picketing, lock-outs, handbillings, boycotts, slowdowns or similar labour related disputes pertaining to the Corporation that might affect the value of the Corporation or lead to an interruption of operations of the Corporation. The Corporation has not engaged in any closing or lay-off activities within the past two years that would violate or in any way subject the Corporation to the group termination or lay-off requirements of applicable Laws;
- (iii) The Corporation has not recognized any trade union, staff association, employee association, staff council, works council or other organization or arrangement having a similar purpose, and no notification to any trade union, staff association, employee association, staff council, works council or other organization or

arrangement having a similar purpose is required by the Corporation for the purpose of consummating the Transaction;

- (iv) There are no current or pending grievances under or arbitration cases outstanding, or, to the knowledge of the Managing Vendors, threatened, in respect of any Collective Agreements; and
 - (v) With respect to the Transaction, any notice required under any Law or Collective Agreement has been given, and all bargaining obligations with any union, bargaining agent, employee association, or any other representative of any Employee, arising to the date of this Agreement have been, or prior to the Closing Date, will be, satisfied.
- (kk) **Indebtedness.** Other than set out in Schedule 3.2(kk), the Corporation does not have any bonds, debentures, mortgages, promissory notes, capital leases, or other indebtedness and the Corporation is not under any obligation to create or issue any bonds, debentures, mortgages, promissory notes, capital leases or other indebtedness.

(ll) **Guarantees, Warranties and Discounts.**

The Corporation:

- (i) is not a party to or bound by any agreement of guarantee, indemnification, assumption or endorsement, or any other like commitment of the obligations, liabilities (whether accrued, absolute, contingent or otherwise) or indebtedness of any other Person;
 - (ii) has not given any guarantee or warranty in respect of any of the products provided by it except warranties made in the Ordinary Course of Business or in the form of its standard warranties, copies of which have been made available to the Purchaser prior to the date hereof;
 - (iii) is not now subject to any agreement or commitment, and the Corporation has not, within five years prior to the date hereof, entered into any agreement with or made any commitment to any Customer which would require it to repurchase any products sold to such Customers or to adjust any price or grant any refund, discount or other concession to such Customer after the Closing Date except as required by the terms of the supply agreement with the Customer, by standard warranties or as otherwise agreed in the Ordinary Course of Business; and
 - (iv) has no letters of credit, bonds or other financial security arrangements in connection with any transactions with suppliers or Customers are required for the operation of the Business.
- (mm) **Insurance.** Schedule 3.2(mm) contains a true and complete list of all insurance policies maintained by the Corporation or under which the Business is covered in respect of the properties, assets, operations and personnel utilized in the operation of the Business as of the date hereof. Complete and correct copies of all such insurance policies have been provided to the Purchaser. Such insurance policies are in full force and effect and the Corporation is not in default with respect to the payment of any premium or compliance with any of the provisions contained in any such insurance policy. There are no circumstances under which the Corporation would be required to or, in order to maintain

its coverage, should give any notice to the insurers under any such insurance policies which has not been given. The Corporation has not received notice from any of the insurers regarding cancellation of such insurance policies. The Corporation has not failed to present any claim and/or any such insurance policy in due and timely fashion. The Corporation has not received notice from any of the insurers denying any claims. To the knowledge of the Managing Vendors, there are no circumstances which may give rise to a claim by the Corporation against the insurance maintained by the Corporation.

- (nn) **No Material Adverse Change.** Since September 30, 2021, there has been no Material Adverse Change to the Corporation or the Business and, to the knowledge of the Managing Vendors, no event has occurred or circumstance exists which would, or could reasonably be expected to, result in a Material Adverse Change to the Corporation or the Business.
- (oo) **Compliance with Laws.** The Corporation is conducting, and the Corporation has always conducted, the Business in compliance with all Laws in all material respects. No written or other notice or warning from any Governmental Entity with respect to any failure or alleged failure of, or necessity for, the Corporation or the Business to comply with any Law has been received by the Corporation, nor is any such notice or warning proposed or threatened.
- (pp) **Copies of Documents.** Subject to the information provided in the Schedules hereto, complete and correct copies (including all amendments) of all contracts and other documents referred to in this Agreement or any Schedule or required to be disclosed hereby have been delivered to the Purchaser.
- (qq) **Intellectual Property.**
 - (i) Schedule 3.2(qq) contains a complete list of all material Intellectual Property owned or used by the Corporation, together with the details of any registrations and applications for registration in respect thereto, and a description of all other material actions the Corporation has taken to maintain and protect the Intellectual Property.
 - (ii) The registrations and applications for registration listed in Schedule 3.2(qq) are valid and subsisting, in good standing, and enforceable against Third Parties and are recorded, maintained and renewed in the name of the Corporation in the appropriate registries or government offices to preserve the Corporation's rights thereof and thereto.
 - (iii) The Corporation does not have any knowledge or information of any facts which would affect the use, validity, enforceability, scope or registrability of any of the Intellectual Property.
 - (iv) The Corporation owns or has sufficient rights to the Intellectual Property necessary for the operation, conduct and maintenance of the Business as such Business is currently and has historically been operated, conducted or maintained.
 - (v) To the knowledge of the Managing Vendors, the Corporation has the exclusive right to use and otherwise exploit the Intellectual Property in all jurisdictions in

which it is currently or has historically been used or otherwise exploited and there are no prohibitions or restrictions on the use or other exploitation by the Corporation of the Intellectual Property.

- (vi) The Corporation owns and has the exclusive legal and beneficial right, title and interest in and to the Intellectual Property in its own name, free and clear of any Encumbrances, and none of the Intellectual Property has been licenced by or to a third party.
- (rr) **Transferred Information.**
 - (i) The Corporation has provided all necessary notices to and has obtained all necessary consents from each individual to which the Transferred Information relates for the collection, use and disclosure of such information for the purposes for which such information is currently and was historically collected, used and disclosed by the Corporation and for the completion of the Transaction;
 - (ii) The Corporation has not received notice, nor has reason to believe, that any such consent has been withdrawn or varied; and
 - (iii) The Transferred Information is necessary for, and solely relates to, the completion of the Transaction, including the determination to complete such Transaction, or the use or enjoyment of the assets conveyed hereunder by the Purchaser.
- (ss) **Bank Accounts.** Schedule 3.2(ss) sets forth a true, correct and complete list of all of the bank accounts of the Corporation, including account details and branch locations.
- (tt) **Sufficiency of Assets.** The assets owned and/or leased by the Corporation are sufficient to carry on the Business in substantially the same manner as the Business is being conducted on the date hereof.
- (uu) **Consideration Shares.** The Vendors acknowledge and agree that the Consideration Shares will be issued pursuant to an exemption to the prospectus requirements in Canada and, accordingly, will be subject to a four month statutory resale restriction in accordance with Canadian securities Laws and will be subject to any applicable resale restrictions in accordance United States securities Laws.
- (vv) **Non-Arm's Length Matters.** Except as disclosed in Schedule 3.2(vv), the Corporation is not a party to or bound by any agreement, whether written or oral, with, is indebted to, and no amount is owing thereto by, the Vendors or any Affiliates or associates thereof or any Person not dealing at "arm's length" with any of the foregoing. Except as disclosed the Corporation has not made or authorized any payments to its shareholders or any Affiliates or associates or any former Affiliates or associates thereof or to any Person not dealing at "arm's length" with any of the foregoing, except for salaries and other employment compensation payable to Employees in the Ordinary Course of Business and at the regular rates payable to them.
- (ww) **Material Facts Disclosed.** None of the foregoing representations and warranties and no document furnished by the Managing Vendors or on behalf of the Managing Vendors and/or the Corporation to the Purchaser in connection with the negotiation of the

Transaction 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.

3.3. Representations and Warranties by the Purchaser

The Purchaser represents and warrants to the Vendors as follows as of the date hereof, and acknowledges and confirms that notwithstanding any independent searches or investigations that may be undertaken by or on behalf of the Vendors and notwithstanding any information or document provided to the Vendors, the Vendors are relying upon the accuracy of each of such representations and warranties in connection with the completion of the sale of the Purchased Shares and the completion of the Transaction:

- (a) **Valid Subsistence.** The Purchaser is duly incorporated and validly subsisting under the Laws of the Province of British Columbia and has all requisite corporate power and authority to carry on its Business and to own its properties and assets and is registered in each jurisdiction in which the conduct of its Business requires such registration.
- (b) **Corporate Authority and Binding Obligation.** The Purchaser has good right, full corporate power and capacity to enter into this Agreement and the other agreements contemplated herein and to perform its obligations under this Agreement and the other agreements contemplated herein. The board of directors of the Purchaser has, or by Closing will have, taken all necessary actions, steps and corporate and other proceedings to approve or authorize, validly and effectively, the entering into of, and the execution, delivery and performance of, this Agreement. This Agreement is a legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms subject to: (i) bankruptcy, insolvency, moratorium, reorganization and other Laws relating to or affecting the enforcement of creditors' rights generally; (ii) the fact that equitable remedies, including the remedies of specific performance and injunctive relief, may only be granted in the discretion of a court; and (iii) the fact that rights to indemnity may be limited under applicable Laws.
- (c) **Contractual and Regulatory Approvals.** The Purchaser is not under any obligation, contractual or otherwise, to request or obtain the consent of any Person, and no permits, Licences, certifications, authorizations or approvals of, or notifications to, any Governmental Entity are required to be obtained by the Purchaser in connection with the execution, delivery or performance of this Agreement or the completion of the Transaction.
- (d) **Compliance with Constatting Documents, Agreements and Licences.** The execution, delivery and performance of this Agreement and each of the other agreements contemplated by or referred to herein by the Purchaser and the completion of the Transaction contemplated hereby and thereby, will not constitute or result in a violation, breach or default, or cause the acceleration of any obligations under:
 - (i) any term or provision of the articles, bylaws, or other constating documents of the Purchaser;
 - (ii) the terms of any indenture, contract, agreement (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

- (iii) any term or provision of any Licence or, to the knowledge of the Purchaser, any order of any court, Governmental Entity or regulatory body or any Laws or regulations of any jurisdiction in which the Purchaser's business is carried on.
- (e) **No Proceedings.** There are no actions, suits or proceedings, judicial or administrative (whether or not purportedly on behalf of the Purchaser or others) pending or to the knowledge of the Purchaser, threatened, by or against or affecting the Purchaser that relate to or will affect the completion of the Transaction, at law or in equity or before or by any court or any Governmental Entity (and there are to the knowledge of the Purchaser no grounds on which any such action, suit or proceeding might be commenced with any reasonable likelihood of success).
- (f) **Consideration Shares.** The Consideration Shares and Earn Out Shares, when issued, will be issued as fully paid and non-assessable common shares in the authorized share structure of the Purchaser and the Purchaser will have listed the Consideration Shares and Earn Out Shares on the CSE at the time of issuance.

ARTICLE 4 **COVENANTS**

4.1. Covenants of the Managing Vendors

The Managing Vendors hereby severally (but not jointly) covenant to the Purchaser that they will, in accordance with the following paragraphs, do or cause to be done the following:

- (a) **Conduct of Business during the Interim Period.** During the Interim Period, the Managing Vendors shall cause the Corporation to operate the Business in the Ordinary Course and, without limiting the generality of the foregoing, do the following:
 - (i) maintain all of the assets in the same condition as they now exist, ordinary wear and tear excepted;
 - (ii) maintain all of the Intellectual Property so that it is current, enforceable and in good standing;
 - (iii) maintain the Corporation's books, records and accounts in the Ordinary Course;
 - (iv) maintain the Inventory of the Business in order to continue carrying on the Business in the Ordinary Course;
 - (v) take all action to preserve the Business and the goodwill of the Corporation and its relationships with Customers, suppliers, landlords, creditors and others having business dealings with it, to maintain in full force and effect all contracts to which the Corporation is a party, and take all other action reasonably requested by the Purchaser in order that the Business and the condition of the Corporation will not be impaired during the Interim Period;
 - (vi) keep available the services of its present officers and employees;
 - (vii) ensure that the Corporation performs and complies with all of its obligations under all contracts and complies with all Licences;

- (viii) ensure that the Corporation does not sell or otherwise dispose of (or pledge as security) any of its assets, except Inventory in the Ordinary Course;
 - (ix) maintain adequate levels of working capital to carry on the Business in the Ordinary Course;
 - (x) ensure that the Corporation does not create any Encumbrance upon any of its assets, other than in the Ordinary Course (so long as that value does not exceed \$5,000) or create any guarantees or otherwise become liable for the obligations of any other Person or make any loans or advances to any Person;
 - (xi) ensure that the Corporation does not increase or promise to increase, in any manner, the compensation or employee benefits of any of its directors, officers or employees, or pay or agree to pay to any of its directors, officers or employees any pension, severance or termination amount or other employee benefit not required by any of the Benefit Plans
 - (xii) keep in full force and effect all of the current insurance policies of the Corporation;
 - (xiii) collect and manage Accounts Receivable and pay and manage Accounts Payable in the Ordinary Course, including not writing off as uncollectible any Accounts Receivable that individually or in the aggregate is significant to the Corporation or is in excess of \$5,000;
 - (xiv) ensure that the Corporation does not declare or pay any dividends, redeem or repurchase any capital stock or make any other distributions in respect of its capital stock;
 - (xv) subject to Laws, confer with the Purchaser concerning operational matters of a material nature; and
 - (xvi) keep the confidentiality of any non-public, confidential or proprietary information of the Business or Corporation.
- (b) **Transfer of Purchased Shares.** Provided that the Purchaser performs its payment obligations, and any other obligations to be performed at or prior to the Closing Time, the Vendors shall cause all necessary steps and corporate proceedings to be taken in order to permit the Purchased Shares to be duly and regularly transferred to the Purchaser on the Closing Date.
- (c) **Request for Consents.** The Managing Vendors shall cause the Corporation to obtain all of the consents and approvals, and to deliver the notifications set forth in Schedule 3.2(d) and all other consents and approvals required to transfer the Purchased Shares to the Purchaser hereunder in compliance with all applicable Laws and complete the Transaction. Such consents shall be upon such terms as are acceptable to the Purchaser, acting reasonably. If the Purchaser waives such condition and any of the consents and approvals set forth in Schedule 3.2(d) are not obtained prior to the Closing Date, then the Managing Vendors will use reasonable commercial efforts following the Closing Date to obtain such consents and approvals.

4.2. Covenants of the Purchaser

The Purchaser covenants to and with the Vendors that following the Closing Date and upon reasonable notice, the Purchaser shall provide to the representatives, employees, counsel and accountants of the Vendors, access, during normal business hours, to examine the records of the Corporation and the Business that relate to periods prior to the Closing Date and will permit such persons to examine and copy such records to the extent reasonably requested by the Vendors in connection with the preparation of tax and financial reporting matters, audits, legal proceedings, governmental investigations, verification of earn out calculations and other business purposes.

4.3. Transaction Expenses

The Corporation shall pay the Transaction Expenses at or prior to the Closing; *provided, however*, if any of the Transaction Expenses have not been incurred at or prior to Closing, the Vendors shall pay such Transaction Expenses on or prior to the due date thereof. For greater certainty, neither the Purchaser nor the Corporation will pay, or be responsible for the payment of, any expenses associated with this Agreement or the Transaction incurred by the Vendors before or after Closing.

4.4. Preparation of Tax Returns

- (a) On or before the statutory due date, the Vendors shall be responsible for preparing and filing, on behalf of and in the name of the Corporation, all Tax Returns of the Corporation required by law to be filed for any taxation year of the Corporation ending on or before the Closing Date that are not required to be filed on or before the Closing Date, provided that:
 - (i) the cost of preparing all such Tax Returns shall be for the account of the Vendors (as a post-Closing adjustment to the Purchase Price or otherwise);
 - (ii) the Vendors shall be responsible for the payment of all Taxes due in respect of any such Tax Returns;
 - (iii) all such Tax Returns shall be consistent in all material respects with prior Tax Returns filed by the Corporation and its predecessors for prior taxation years, including claiming maximum deductions available to be claimed if claimed in such prior Tax Returns; and
 - (iv) prior to filing any such Tax Returns, the Vendors shall first supply draft copies of the documents to the Purchaser for input and comment and request that the Purchaser provides its consent to the filing of such Tax Returns, such consent not to be unreasonably withheld.
- (b) The Parties undertake to inform each other of, and to cooperate with each other in respect of, the preparation and filing of any Tax Returns of the Corporation required by Laws to be filed for any taxation year of the Corporation ending on or before the Closing Date and any audit inquiries with respect to any such Tax Returns involving the Corporation.
- (c) The Corporation's taxable year shall close with respect to the Purchased Shares as contemplated by United States Treasury Regulations Section 1.706-1(c)(2)(i). The Vendors' distributive share of the Corporation's taxable income or loss for the taxable year of the Closing shall be determined on the basis of an interim closing of the books of

the Corporation as of the close of business on the Closing Date, and shall not be based upon a proration of the taxable income or loss of the Corporation for the entire taxable year. If required, a Schedule K-1 to United States Form 1065 for Vendors based upon the allocation of the Vendors' distributive share set forth above shall be prepared as soon as reasonably practicable after the close of the taxable year and delivered to Vendors for purposes of facilitating the timely filing of any federal, state, and local Tax Returns of Vendors.

ARTICLE 5 **CONDITIONS**

5.1. Conditions to Obligations of the Purchaser

The obligation of the Purchaser to complete the Transaction is subject to the following conditions being fulfilled or performed at or before the Closing Time, provided that the Purchaser may, in its sole discretion, waive any of such conditions:

- (a) **Accuracy of Representations and Warranties.** The representations and warranties of the Vendors contained in this Agreement will be true and accurate in all respects on the date hereof and as at the Closing Time in all respects with the same force and effect as though such representations and warranties had been made as of the Closing Time (or, if made as of a particular date, as of such date).
- (b) **Performance of Covenants.** The Vendors will have fulfilled, performed or complied with, or caused the Corporation to fulfill, perform or comply with all covenants and obligations contained in this Agreement required by them to be fulfilled, performed or complied with at or before the Closing Time, in all respects.
- (c) **Consents.** All of the consents described in Schedule 3.2(d) will have been obtained or given by the Vendors, as the case may be, and delivered to the Purchaser on terms acceptable to the Purchaser, in its sole discretion, and all such consents will be in full force and effect as at the Closing Time.
- (d) **Closing Deliverables.** The Vendors, will have executed and delivered to, or will have caused to be executed and delivered to, the Purchaser at Closing the documents set out in Section 6.2(a) in form and substance satisfactory to the Purchaser, acting reasonably.
- (e) **No Legal Action or Proceedings.** No order, decision or ruling of any Governmental Entity will have been made, and no legal proceeding will be in progress, pending or threatened which, in the opinion of Purchaser's Counsel, is likely to result in an order, decision or ruling:
 - (i) to disallow, enjoin, prohibit or impose any limitations or conditions on the Transaction or the right of the Purchaser to own the Purchased Shares; or
 - (ii) to impose any limitations or conditions which may have an adverse effect on the Business.
- (f) **No Conflict.** Neither the consummation of the Transaction nor the performance of the obligations contemplated by this Agreement or any of the Transaction Agreements will, directly or indirectly (with or without notice or lapse of time), contravene or conflict with, or cause the Purchaser to suffer any adverse consequence under any Law.

- (g) **Material Adverse Change.** As of the Closing Date, no Material Adverse Change will have occurred in connection with the Corporation's assets or Business, and no Law will have been passed which might reasonably be expected to constitute a Material Adverse Change.

5.2. **Conditions to the Obligations of the Vendors**

The obligation of the Vendors to complete the Transaction are subject to the following conditions being fulfilled or performed at or before the Closing Time, provided that the Vendors may, in their sole discretion, waive any of such conditions:

- (a) **Accuracy of Representations and Warranties.** The representations and warranties of the Purchaser contained in this Agreement and in the other agreements contemplated herein will be true and accurate in all respects on the date hereof and as at the Closing Time in all respects with the same force and effect as though such representations and warranties had been made as of the Closing Time (or, if made as of a particular date, as of such date).
- (b) **Performance of Covenants.** The Purchaser will have fulfilled, performed or complied with all covenants and obligations contained in this Agreement and in the other agreements contemplated herein required by it to be fulfilled, performed or complied with at or before the Closing Time in all respects.
- (c) **Consents.** The Purchaser will have obtained and delivered to the Vendors on terms acceptable to the Vendors, in their discretion, all applicable governmental, regulatory and contractual third party approvals, including, if necessary, from the CSE, and all such consents will be in full force and effect as at the Closing Time.
- (d) **Listing.** The Purchaser will have caused the Consideration Shares to be listed on the CSE at or before the Closing Time.
- (e) **Closing Deliverables.** The Purchaser will have executed and delivered to the Vendors at Closing the documents set out in Section 6.2(b) in form and substance satisfactory to the Vendors, acting reasonably.
- (f) **No Legal Action or Proceedings.** No order, decision or ruling of any Governmental Entity will have been made, and no legal proceeding will be in progress, pending or threatened which, is likely to result in an order, decision or ruling, to disallow, enjoin or prohibit or impose any limitations or conditions on the Transaction or the right of the Purchaser to own the Purchased Shares.

ARTICLE 6 **CLOSING**

6.1. **Closing Arrangements**

Subject to the terms and conditions hereof, the Transaction shall be completed at the Closing Time at the offices of the Purchaser's Counsel in Vancouver, British Columbia, or at such other place or places as may be mutually agreed upon by the Parties, including electronically.

6.2. Documents to be Delivered

At or before the Closing Time, the Vendors shall execute, or cause to be executed, and shall deliver, or cause to be delivered, to the Purchaser, all agreements, instruments, notices, certificates and other documents which are to be delivered by the Vendors pursuant to the provisions of this Agreement, in form satisfactory to the Purchaser, acting reasonably, and the Purchaser shall execute, or cause to be executed, and shall deliver, or cause to be delivered to the Vendors, in form satisfactory to the Vendors, acting reasonably, all cheques or bank drafts or funds flow directions and all agreements, instruments, notices, certificates and other documents which the Purchaser are to deliver or cause to be delivered pursuant to the provisions of this Agreement, including the following:

- (a) Documents to be delivered by the Vendors:
 - (i) the Corporation's corporate record book;
 - (ii) certified copies of all necessary corporate resolutions, authorizations and proceedings of the Corporation and the Vendors that are required to be taken or obtained to permit the due and valid transfer of the Purchased Shares to and in the name of the Purchaser and the completion of the Transaction;
 - (iii) the consents described in Schedule 3.2(d);
 - (iv) duly executed copies of the Transaction Documents by the Vendors, as applicable;
 - (v) a certificate of status, compliance, good standing or like certificate with respect to the Corporation issued by the appropriate government officials of the jurisdiction of such entity's incorporation;
 - (vi) release of the Vendors in favour of the Corporation, in a form acceptable to the Vendors, acting reasonably;
 - (vii) all such other documents and instruments that are incidental to the foregoing as the Purchaser may reasonably require;
 - (viii) copies of the Accredited Investor Questionnaire, completed by each Vendor; and
 - (ix) if any Vendor is not an "accredited investor" as reflected on the Accredited Investor Questionnaire, such Vendor has acknowledged receipt of such disclosure materials as may be deemed appropriate by Purchaser's Counsel.
- (b) Documents to be delivered by the Purchaser:
 - (i) a direct registration system advice evidencing the electronic registration of the Consideration Shares by the transfer agent of the Corporation in accordance with Section 2.2(a);
 - (ii) a certified copy of resolutions of the directors of the Purchaser as may be required in order to authorize the execution, delivery and performance of this Agreement;

- (iii) duly executed copies of the Transaction Documents by the Purchaser; and
- (iv) all such other documents and instruments that are incidental to the foregoing that the Vendors may reasonably require.

ARTICLE 7

INDEMNIFICATION

7.1. Indemnity by the Vendors

Each of the Vendors agrees to severally indemnify, and save harmless the Purchaser, the Corporation and each of their respective directors, officers and shareholders from and against any Losses which may be made or brought against any of the foregoing or which any of the foregoing may suffer or incur as a result of, in respect of or arising out of:

- (a) any non-performance or non-fulfillment of any covenant or agreement on the part of the Vendor contained in this Agreement, the Transaction Documents or in any other document given in order to carry out the Transaction;
- (b) any misrepresentation, inaccuracy, incorrectness or breach of any representation or warranty made by the Vendor in this Agreement, the Transaction Documents or contained in any other document or certificate given in order to carry out the Transaction; and
- (c) all costs and expenses including, without limitation, legal fees on a solicitor and client basis, incidental to or in respect of the foregoing.

7.2. Indemnity by the Managing Vendors

Each of the Managing Vendors agrees to severally indemnify, and save harmless the Purchaser, the Corporation and each of their respective directors, officers and shareholders from and against any Losses which may be made or brought against any of the foregoing or which any of the foregoing may suffer or incur as a result of, in respect of or arising out of:

- (a) any misrepresentation, inaccuracy, incorrectness or breach of any representation or warranty made by the Managing Vendor in this Agreement, the Transaction Documents or contained in any other document or certificate given in order to carry out the Transaction;
- (b) any Taxes: (A) on or in respect of the Corporation or the Business for all taxation years or periods ending on or before the Closing Date or the portion of any Taxes for any taxation year or period ending after the Closing Date that is attributable to the portion of such year or period ending on the Closing Date; or (B) as a result of or in connection with any transactions, reorganizations or distributions effected by the Corporation prior to the Closing Date;
- (c) any environmental liability, including all related remediation and reclamation costs, arising as a result of or in relation to non-compliance with the Environmental Laws or Environmental Permits, including any onsite or offsite environmental contamination or condition of any properties previously or currently owned, leased, used or occupied by the Corporation, including the Leased Premises, which existed or relate to the period before the Closing Time; and

- (d) all costs and expenses including, without limitation, legal fees on a solicitor and client basis, incidental to or in respect of the foregoing.

7.3. Indemnity by the Purchaser

The Purchaser hereby agrees to indemnify and save harmless the Vendors from and against any Losses which may be made or brought against the Vendors or which the Vendors may suffer or incur as a result of, in respect of or arising out of:

- (a) any non-performance or non-fulfillment of any covenant or agreement on the part of the Purchaser contained in this Agreement, the Transaction Documents or in any other document given thereby in order to carry out the Transaction;
- (b) any misrepresentation, inaccuracy, incorrectness or breach of any representation or warranty made by the Purchaser contained in this Agreement, the Transaction Documents or contained in any other document or certificate given in order to carry out the Transaction; and
- (c) all costs and expenses including, without limitation, legal fees on a solicitor-and-his-own-client basis, incidental to or in respect of the foregoing.

7.4. Survival of Representations and Warranties

- (a) The representations and warranties contained in this Agreement or in any Transaction Document shall survive the Closing and, notwithstanding such Closing, shall continue in full force and effect for the benefit of the Parties.
- (b) Except as provided in Section 7.4(b), no claim may be made or brought by the Purchaser for indemnity resulting from a breach of a representation or warranty made by the Vendors or the Managing Vendors, as applicable, in this Agreement, unless notice of such claim is provided to the Vendors or Managing Vendors, as applicable, on or before the date which is eighteen months from the Closing Date.
- (c) Any claim which is based upon or relates to the representations and warranties made in ARTICLE 3, in Sections 3.2(a), 3.2(b), 3.2(c), 3.2(d), 3.2(f), 3.2(i) 3.2(j), 3.2(r) and the indemnification set forth in Sections 7.2(b) and 7.2(c) (the "**Fundamental Representations**") or which is based upon intentional misrepresentation or fraud by a Vendor or a Managing Vendor, as applicable, may be made or brought by the Purchaser at any time for the maximum period permitted by applicable Laws.
- (d) After the expiration as provided in Section 7.4(b), the Vendors shall be released from all obligations and liabilities in respect of such representations and warranties made by them contained in this Agreement except with respect to any claims notice of which was provided by the Purchaser to the Vendors or Managing Vendors, as applicable, in writing prior to the expiration of such period and subject to the rights of the Purchaser to make any claim permitted by Section 7.4(b).
- (e) Except as provided in Section 7.4(f), no claim may be made or brought by the Vendors for indemnity resulting from a breach of a representation or warranty made by the Purchaser in this Agreement, unless notice of such claim is provided to the Purchaser on or before the date which is eighteen months from the Closing Date.

- (f) Any claim which is based upon or relates to the representations and warranties made in Sections 3.3(a), 3.3(b) and 3.3(f) or which is based upon intentional misrepresentation or fraud by the Purchaser may be made or brought by the Vendors at any time for the maximum period permitted by applicable Law.
- (g) After the expiration as provided in Section 7.4(e), the Purchaser shall be released from all obligations and liabilities in respect of such representations and warranties made by it contained in this Agreement except with respect to any claims notice of which was provided by the Vendors to the Purchaser in writing prior to the expiration of such period and subject to the rights of the Vendors to make any claim permitted by Section 7.4(f).

7.5. Limitations on Indemnity

Notwithstanding anything to the contrary contained in this Agreement:

- (a) The Vendors and the Managing Vendors shall have no liability under Sections 7.1(b) and 7.2(a), respectively, until the aggregate amount of all Losses incurred by the Purchaser as a result of any breaches of representations and warranties in this Agreement by the Vendors and the Managing Vendors equals or exceeds \$100,000. Once the total of all Losses with respect to any of such matters exceeds the foregoing threshold, the Purchaser will be entitled to make an Indemnity Claim for the total amount of Losses sustained by it. Notwithstanding the foregoing, the threshold set forth in this Section 7.5 shall not apply to any claims made by the Purchaser in respect of Fundamental Representations.
- (b) Subject to Section 7.5(f), the maximum liability of each of Vendors and the Managing Vendors to the Purchaser under Sections 7.1 and 7.2, respectively, for Losses incurred by the Purchaser as a result of any breaches by that Vendor or Managing Vendor, as applicable, of covenants, representations and warranties in this Agreement that are not Fundamental Representations shall be limited to an amount equal to the lesser of (i) 15% of the value of the Consideration Shares issued to such Vendor at the Closing, and (ii) 15% of the value of the Consideration Shares issued to such Vendor as of (A) the date that is one day following the date that the lock-up period described in Section 2.5 ends, if such lock-up period ends on a date before the date of the breach referred to in this Section 7.5(b) or (B) the date of the breach referred to in this Section 7.5(b), if the lock-up period described in Section 2.5 ends after the date of the breach referred to in this Section 7.5(b), but in any event the value of the Consideration Shares issued to such Vendor will be the Closing Market Price on the trading day prior to the relevant date multiplied by the number of Consideration Shares issued to such Vendor.
- (c) Subject to Section 7.5(f), the maximum liability of each of the Vendors and the Managing Vendors to the Purchaser under Sections 7.1 and 7.2 for Losses incurred by the Purchaser as a result of any breaches by that Vendor or Managing Vendor, as applicable, of Fundamental Representations shall be limited to an amount equal to the lesser of (i) 100% of the value of the Consideration Shares issued to such Vendor at the Closing, and (ii) 100% of the value of the Consideration Shares issued to such Vendor as of (A) the date that is one day following the date that the lock-up period described in Section 2.5 ends, if such lock-up period ends on a date before the date of the breach referred to in this Section 7.5(c) or (B) the date of the breach referred to in this Section 7.5(c), if the lock-up period described in Section 2.5 ends after the date of the breach referred to in this Section 7.5(c), but in any event the value of the Consideration Shares issued to such

Vendor will be the Closing Market Price on the trading day prior to the relevant date multiplied by the number of Consideration Shares issued to such Vendor.

- (d) The Purchaser shall have no liability under Section 7.3(b) until the aggregate amount of all Losses incurred by the Vendors as a result of any breaches of representations and warranties in this Agreement by the Purchaser equals or exceeds \$100,000. Once the total of all Losses with respect to any of such matters exceeds the foregoing threshold, the Vendors shall be entitled to make an Indemnity Claim for the total amount of all Losses sustained thereby.
- (e) Subject to Section 7.5(f), the maximum aggregate liability of the Purchaser to the Vendors under Section 7.2 for Losses incurred by the Vendors, as a result of any breaches of covenants, representations and warranties in this Agreement by the Purchaser, shall be limited to an amount equal to the lesser of (i) 15% of the value of the Consideration Shares issued to such Vendor at the Closing, and (ii) 15% of the value of the Consideration Shares issued to such Vendor as of (A) the date that is one day following the date that the lock-up period described in Section 2.5 ends, if such lock-up period ends on a date before the date of the breach referred to in this Section 7.5(e) or (B) the date of the breach referred to in this Section 7.5(e), if the lock-up period described in Section 2.5 ends after the date of the breach referred to in this Section 7.5(e), but in any event the value of the Consideration Shares issued to such Vendor will be the Closing Market Price on the trading day prior to the relevant date multiplied by the number of Consideration Shares issued to such Vendor.
- (f) This Section 7.5 will not apply to:
 - (i) any claim for indemnification made pursuant to Sections 7.2(b) and 7.2(c);
 - (ii) any fraudulent act or fraudulent or intentional misrepresentation or any intentional breach by the Vendors, the Managing Vendors or the Purchaser of any covenant or obligation which is willful misconduct and an act of bad faith.

7.6. Provisions Relating to Indemnity Claims

The following provisions will apply to any claim by the Purchaser for indemnification by the Vendors and the Managing Vendors pursuant to this Agreement or to any claim by the Vendors for indemnification by the Purchaser pursuant to this Agreement (hereinafter, in this Section, the Party making a claim for indemnification shall be referred to as the "**Indemnified Party**", the Party against whom the claim for indemnification is made shall be referred to as the "**Indemnifying Party**" and the claim for indemnity shall be referred to as the "**Indemnity Claim**"):

- (a) promptly after becoming aware of any matter that may give rise to an Indemnity Claim, the Indemnified Party will provide to the Indemnifying Party written notice of the Indemnity Claim specifying (to the extent that information is available) the factual basis for the Indemnity Claim and the amount of the Indemnity Claim or, if an amount is not then determinable, an estimate of the amount of the Indemnity Claim, if an estimate is feasible in the circumstances;
- (b) if an Indemnity Claim relates to an alleged liability to any other Person (a "**Third Party Liability**"), including any Governmental Entity or regulatory body or any taxing

authority, which is of a nature such that the Indemnified Party is required by applicable Law to make a payment to a third party before the relevant procedure for challenging the existence or quantum of the alleged liability can be implemented or completed, then the Indemnified Party may, notwithstanding the provisions of paragraphs (c) and (d) of this Section 7.6, make such payment and forthwith demand reimbursement for such payment from the Indemnifying Party in accordance with this Agreement; provided that, if the alleged liability to the third party as finally determined upon completion of settlement negotiations or related legal proceedings is less than the amount that is paid by the Indemnifying Party in respect of the related Indemnity Claim, then the Indemnified Party will forthwith following the final determination pay to the Indemnifying Party the amount by which the amount of the liability as finally determined is less than the amount which is so paid by the Indemnifying Party;

- (c) the Indemnified Party will not negotiate, settle, compromise or pay (except in the case of payment of a judgment) any Third Party Liability as to which it proposes to assert an Indemnity Claim, except with the prior consent of the Indemnifying Party (which consent shall not be unreasonably withheld or delayed), unless there is a reasonable possibility that such Third Party Liability may materially and adversely affect the Indemnified Party, in which case the Indemnified Party will have the right, after notifying the Indemnifying Party, to negotiate, settle, compromise or pay such Third Party Liability without prejudice to its rights of indemnification hereunder;
- (d) with respect to any Third Party Liability, provided the Indemnifying Party first admits the Indemnified Party's right to indemnification for the amount of such Third Party Liability which may at any time be determined or settled, then in any legal, administrative or other proceedings in connection with the matters forming the basis of the Third Party Liability, the following procedures will apply:
 - (i) except as contemplated by subparagraph (iii) below, the Indemnifying Party will have the right to assume carriage of the compromise or settlement of the Third Party Liability and the conduct of any related legal, administrative or other proceedings, but the Indemnified Party will have the right and will be given the opportunity at its own cost (none of which will form part of an Indemnity Claim) to participate in the defense of the Third Party Liability, to consult with the Indemnifying Party in the settlement of the Third Party Liability and the conduct of related legal, administrative and other proceedings (including consultation with counsel) and to disagree on reasonable grounds with the selection and retention of counsel, in which case counsel satisfactory to the Indemnifying Party and the Indemnified Party, each acting reasonably, will be retained by the Indemnifying Party;
 - (ii) the Indemnifying Party will cooperate with the Indemnified Party in relation to the Third Party Liability, will keep the Indemnified Party fully advised with respect thereto, will provide the Indemnified Party with copies of all relevant documentation as it becomes available, will provide the Indemnified Party with access to all records and files relating to the defense of the Third Party Liability and will meet with representatives of the Indemnified Party at all reasonable times to discuss the Third Party Liability; and
 - (iii) further to subparagraphs (i) and (ii), the Indemnifying Party will not settle the Third Party Liability or conduct any legal, administrative or other proceedings in

any manner that could, in the reasonable opinion of the Indemnified Party have a Material Adverse Change on the Indemnified Party, except with the prior written consent of the Indemnified Party; and

- (e) if, with respect to any Third Party Liability, the Indemnifying Party declines to assume carriage of the settlement or of any legal, administrative or other proceedings relating to the Third Party Liability, then the following provisions will apply:
 - (i) the Indemnified Party, at its discretion, may assume carriage of the settlement or of any legal, administrative or other proceedings relating to the Third Party Liability and may defend or settle the Third Party Liability on such terms as the Indemnified Party, acting reasonably and in good faith, considers advisable; and
 - (ii) any cost, loss, damage or expense incurred or suffered by the Indemnified Party in the settlement of such Third Party Liability or the conduct of any legal, administrative or other proceedings will be added to the amount of the Indemnity Claim.

7.7. Materiality

For the purposes of this ARTICLE 7 and for the purposes of determining any Losses incurred by the Parties, the representations and warranties of the Parties shall not be deemed qualified by any references to materiality.

ARTICLE 8 TERMINATION

8.1. Rights of Termination

This Agreement and the obligations of the Parties to complete the Transaction may be terminated on or prior to Closing:

- (a) by the mutual written consent of the Vendors and the Purchaser;
- (b) by the Purchaser if:
 - (i) there has been a material breach of any representation, warranty, covenant or agreement made by the Vendors under this Agreement and such breach has not been waived by the Purchaser or cured by the Vendors within: (A) ten days of the Vendors' receipt of written notice of such breach from the Purchaser; or (B) two Business Days of the Vendors' receipt of written notice of such breach from the Purchaser where the Purchaser acquires actual knowledge of the breach within ten days of Closing; or
 - (ii) any of the conditions set out in Section 5.1 have not been fulfilled by the Outside Date unless such failure is due to the Purchaser's failure to perform or comply with any of the covenants, agreements or conditions to be performed or complied with by the Purchaser before the Closing Date;
- (c) by the Vendors if:

- (i) there has been a material breach of any representation, warranty, covenant or agreement made by the Purchaser under this Agreement and such breach has not been waived by the Vendors or cured by the Purchaser within ten days of the Purchaser's receipt of written notice of such breach from the Vendors; or
- (ii) any of the conditions set out in Section 5.2 have not been fulfilled by the Outside Date unless such failure is due to the Vendors' failure to perform or comply with any of the covenants, agreements or conditions to be performed or complied with by them before the Closing Date;

ARTICLE 9

GENERAL PROVISIONS

9.1. Further Assurances

Each of the Parties hereby covenants and agrees that, at any time and from time to time after the Closing Date, it will, upon the request of any other Party, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all such further acts, deeds, assignments, transfers, conveyances and assurances as may be reasonably required for the better carrying out and performance of all the terms of this Agreement.

9.2. Remedies Cumulative

The rights and remedies of the Parties under this Agreement are cumulative and in addition to and not in substitution for any rights or remedies provided by law. Any single or partial exercise by any Party of any right or remedy for default or breach of any term, covenant or condition of this Agreement does not waive, alter, affect or prejudice any other right or remedy to which such Party may be lawfully entitled for the same default or breach.

9.3. Notices

- (a) Any notice, designation, communication, request, demand or other document, required or permitted to be given or sent or delivered hereunder to any Party shall be in writing and shall be sufficiently given or sent or delivered if it is:
 - (i) delivered via courier to such Party;
 - (ii) sent to the Party entitled to receive it by mail, postage prepaid, mailed in Canada or the United States; or
 - (iii) distributed via electronic transmission;
- (b) Notices shall be sent to the following addresses or facsimile numbers:
 - (i) in the case of the Purchaser:

Vejii Holdings Ltd.
106 – 460 Doyle Avenue
Kelowna, BC V1Y 0C2

Attention: Darren Gill
Email: [Redacted]

with a copy to the Purchaser's Counsel at:

Bennett Jones LLP
2500 Park Place
666 Burrard Street
Vancouver, British Columbia
Canada V6E 2X8

Attention: Lisa Stewart
Telephone: 604-891-5303
Email: stewartl@bennettjones.com

(ii) in the case of the Corporation:

VEDGEco USA Inc.
905 Kalanianoʻle Hwy, SPC 5004
Kailua, HI 96734

with a copy to:

Donnelly Minter & Kelly, LLC
163 Madison Ave., Suite 320
Morristown, NJ 07960

Attention: Peter T. Donnelly, Esq.
Telephone: 973-200-6410
Email: pdonnelly@dmklawgroup.com

or to such other address or email as the Party entitled to or receiving such notice, designation, communication, request, demand or other document shall, by a notice given in accordance with this Section, have communicated to the Party giving or sending or delivering such notice, designation, communication, request, demand or other document.

- (c) Any notice, designation, communication, request, demand or other document given or sent or delivered as aforesaid shall:
- (i) if personally delivered, be deemed to have been given, sent, delivered and received on the date of delivery;
 - (ii) if sent by mail as aforesaid, be deemed to have been given, sent, delivered and received on the fourth Business Day following the date of mailing, unless at any time between the date of mailing and the fourth Business Day thereafter there is a discontinuance or interruption of regular postal service, whether due to strike or lockout or work slowdown, affecting postal service at the point of dispatch or delivery or any intermediate point, in which case the same shall be deemed to have been given, sent, delivered and received in the ordinary course of the mails, allowing for such discontinuance or interruption of regular postal service;
 - (iii) if sent by overnight courier, be deemed to have been given, sent, delivered and received on the first Business Day following the date of delivery to the overnight courier; and

- (iv) if sent by email be deemed to have been given, sent, delivered and received on the date the sender receives the confirmation of transmission.

9.4. Counterparts

This Agreement may be executed in any number of counterparts and by different Parties on separate counterparts, each of which, when so executed (as evidenced by an original, facsimile or electronic (including PDF and DocuSign) signature), shall be deemed to be an original and all of which, when taken together, shall constitute one and the same agreement.

9.5. Independent Legal Advice

Each of the Parties hereby acknowledges and confirms that:

- (a) they have had the opportunity to review this Agreement with their own legal counsel, tax advisors and other advisors and that they have reviewed and understand the terms of this Agreement;
- (b) they have either been independently advised by counsel in respect of the provisions of this Agreement prior to executing the Agreement or have declined to seek such advice despite having been given the opportunity to do so;
- (c) they are not relying on any statements or representations of any other Party or their agents for legal or other advice with respect to this Agreement; and
- (d) the Parties have negotiated the provisions hereof on an equal footing based on equal bargaining power.

9.6. Expenses of Parties

Each of the Parties shall bear all expenses incurred by it in connection with this Agreement including, without limitation, the charges of its respective counsel, accountants, financial advisors, environmental consultants and finders.

9.7. Announcements

No announcement with respect to this Agreement will be made by any Party without the prior written consent of the other Parties, not to be unreasonably withheld. Notwithstanding the foregoing, the Purchaser shall be entitled to make announcements with respect to the Transaction on or after the Closing Date, provided that, prior to any such announcement, the Purchaser shall provide to the Vendors a draft of such announcement, and shall accept any reasonable comments thereon. The foregoing shall not apply to: (a) any announcement by any Party required in order to comply with Laws or policies pertaining to timely disclosure, provided that such Party consults with the other Party before making such announcement; or (b) any reasonable internal announcements made to employees or other representatives of the Purchaser or the Corporation.

9.8. Assignment

The rights of the Vendors hereunder shall not be assignable without the prior written consent of the Purchaser. The rights of the Purchaser hereunder shall not be assignable without the written consent of the Vendors, unless such assignment is made, upon reasonable notice to the Vendors, to an Affiliate of the Purchaser, in which case no such consent shall be required, provided that in

connection with such assignment the Purchaser will remain liable in respect of all obligations and liabilities hereunder.

9.9. Successors and Assigns

This Agreement shall be binding upon and enure to the benefit of the Parties and their respective successors and permitted assigns, as the case may be. Nothing herein, express or implied, is intended to confer upon any Person, other than the Parties and their respective successors and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

9.10. Entire Agreement

This Agreement and the Schedules referred to herein constitute the entire agreement between the Parties and, except as otherwise stipulated herein, supersedes all prior agreements, representations, warranties, statements, promises, information, arrangements and understandings, whether oral or written, express or implied, with respect to the subject matter hereof including, for greater certainty, the Letter of Intent.

9.11. Non-Merger

Except as otherwise expressly provided in this Agreement, the covenants, representations and warranties shall not merge on and shall survive the Closing and shall continue in full force and effect. Closing shall not prejudice any right of one Party against the other Parties in respect of anything done or omitted under this Agreement or in respect of any right to damages or other remedies.

9.12. Additional Remedies

Each of the Parties acknowledges and understands that non-performance or threatened non-performance of the covenants contained herein may not be compensable in damages. Accordingly, each of the Parties agrees and accepts that any adverse Party may, in addition to any other remedy for relief, enforce the performance of any covenant of this Agreement by injunction or specific performance upon application to a court of competent jurisdiction without proof of actual damages to such Party or notwithstanding that damages may be readily quantifiable and each of the Parties agrees not to plead sufficiency of damages as a defense in any proceeding for such injunctive relief brought by the other Party.

9.13. Waiver

Any Party which is entitled to the benefits of this Agreement may, and has the right to, waive any term or condition hereof at any time on or prior to the Closing Time; *provided, however*, that such waiver shall be evidenced by written instrument duly executed on behalf of such Party.

9.14. Amendments

No modification or amendment to this Agreement may be made unless agreed to by the Parties in writing.

9.15. Severability

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof. To the extent permitted by applicable Laws, the Parties waive any provision of law which renders any provision of this Agreement invalid or unenforceable in any respect. The Parties shall engage in good faith negotiations to replace any provision which is declared invalid or unenforceable with a valid and enforceable provision, the economic effect of which comes as close as possible to that of the invalid or unenforceable provision which it replaces.

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

PURCHASER:

VEJII HOLDINGS LTD.

Per: (signed) "Darren Gill"
Name: Darren Gill
Title: Authorized Signatory

CORPORATION:

VEDGECO USA INC.

(signed) "Trevor Hitch"
Name: Trevor Hitch
Title: Authorized Signatory

VENDORS:

(signed) "Trevor Hitch"

TREVOR HITCH

(signed) "Jadava Bismark"

JADAVA BISMARK

(signed) "Jean Andolena"

JEAN ANDOLENA

(signed) "Stephen Andolena"

STEPHEN ANDOLENA

(signed) "Adrian Anghelescu"

ADRIAN ANGHELESCU

LOGAN RETIREMENT PLAN & TRUST

Per: *(signed) "Rama Logan"*

Name: Rama Logan

Title: Authorized Signatory

(signed) "Theresa-Jennifer Kragenbrink"

THERESA-JENNIFER KRAGENBRINK

(signed) "Daniel Lenser"

DANIEL LENSER

(signed) "Rama Logan"

RAMA LOGAN

(signed) "Samantha Lawton"

SAMANTHA LAWTON

(signed) "Julianne Lopez"

JULIANNE LOPEZ

(signed) "Alana Penaroza"

ALANA PENAROZA

(signed) "Christopher Sikes"

CHRISTOPHER SIKES

(signed) "Michel Robichaud"

MICHEL ROBICHAUD

(signed) "Christopher Gropp"

CHRISTOPHER GROPP

(signed) "James Burmester"

JAMES BURMESTER

(signed) "Kathryn Hehl"

KATHRYN HEHL

(signed) "Lindsey Sadenwasser"

LINDSEY SADENWASSER

EXHIBIT A
ACCREDITED INVESTOR QUESTIONNAIRE

For Vendors under the Purchase Agreement among Vejii Holdings Ltd., VEDGEco USA Inc., and the Vendors set forth therein, dated December 22, 2021): Please respond to the questions below concerning your prospective investment in the Common Shares of Vejii Holdings Ltd.

1. Name(s) of Vendor(s) and type of ownership (individual, joint, or through a partnership, corporation, trust, etc.)

2. SS#/TIN/FEIN

3. Address (Other than Post Office Box)

- a. Permanent Residence (if an individual)

City, State, Zip Code
Telephone: () _____
Facsimile: () _____
Email: () _____

- b. Mailing Address

City, State, Zip Code
Telephone: () _____
Facsimile: () _____
Email: () _____

4. U.S. Citizen: Yes No

5. Status as Accredited Investor: Please check each statement that is true:

_____ I am a natural person, and in each of the last two calendar years I had an individual income (exclusive of my spouse's income) in excess of \$200,000 or a joint income with my spouse in excess of \$300,000, and I reasonably expect to have an individual income in excess of

\$200,000 or a joint income with my spouse in excess of \$300,000, as the case may be, in the current calendar year. For these purposes, “income” means individual adjusted gross income for federal income tax purposes.

_____ I am a natural person who has an individual net worth (or joint net worth with my spouse) in excess of \$1 million (excluding personal residence equity, residence furnishings and automobiles). For these purposes, “net worth” means the excess of total assets at fair market value (including personal and real property, but excluding the estimated fair market value of a person’s primary home) over total liabilities. Total liabilities excludes any mortgage on the primary home in an amount of up to the home’s estimated fair market value as long as the mortgage was incurred more than 60 days before the Common Shares are purchased, but includes (i) any mortgage amount in excess of the home’s fair market value and (ii) any mortgage amount that was borrowed during the 60-day period before the closing date for the sale of Common Shares for the purpose of investing in the Common Shares.

_____ The Vendor is a corporation, partnership, Massachusetts or similar business trust or other entity which has total assets in excess of \$5 million and was not formed for the specific purpose of acquiring the Common Shares.

_____ The Vendor is a bank as defined in Section 3(a)(2) of the Securities Act, or a savings and loan association or similar institution as defined in Section 3(a)(5)(A) of the Securities Act, whether acting in an individual or fiduciary capacity.

_____ The Vendor is a broker-dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934.

_____ The Vendor is an insurance company as defined in Section 2(13) of the Securities Act.

_____ The Vendor is an investment company registered under the Investment Company Act of 1940 (the “**1940 Act**”) or a business development company as defined in Section 2(a)(48) of the 1940 Act.

_____ The Vendor is a Small Business Investment Company licensed by the United States Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958.

_____ The Vendor is a plan established and maintained by a state or political subdivision of a state, or any agency or instrumentality thereof, for the benefit of its employees, which has total assets in excess of \$5 million.

_____ The Vendor is an employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 (“**ERISA**”), and (A) the investment decision is being made by a plan fiduciary (as defined in Section 3(21) of ERISA) which is a bank, savings and loan association, insurance company or registered investment advisor, (B) the plan has total assets in excess of \$5 million, or (C) the plan is a self-directed plan, whose investment decisions are made solely by persons who are Accredited Investors.

_____ The Vendor is a private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940.

_____ The Vendor is a member of the Board of Directors or is an executive officer of Vejii Holdings Ltd.

_____ The Vendor is a trust with total assets in excess of \$5 million, not formed for the specific purpose of acquiring the Common Shares, whose purchase is directed by a person with sufficient knowledge and experience in financial and business matters so that he is capable of evaluating the merits and risks of an investment in the Common Shares.

_____ The Vendor is a corporation, partnership, trust or other entity, in which all of the equity owners of which meet any of the qualifications set forth in any of the immediately preceding subparagraphs.

PLEASE NOTE: If the Vendor chooses to qualify as an Accredited Investor based only on the status of its equity owners as Accreditor Investors, each such equity owner must submit a separate Investor Questionnaire.

_____ None of the statements above apply to the Vendor and the Vendor has received from Vejii Holdings Ltd. a Disclosure Statement dated December 2021.

[Signature page follows]

IN WITNESS WHEREOF, the Vendor has caused this Investor Questionnaire to be duly executed as of the date indicated below.

(Print or Type Name of Vendor)

(Print/Type Name of Joint Owner/Vendor,
if applicable)

(Signature)

(Signature of Joint Owner/Vendor)

(Date)

(Date)

(Print or Type Title, if applicable)

(Print or Type Title, if applicable)