

SHARE PURCHASE AGREEMENT

BETWEEN

1242455 B.C. LTD.

AND

LEGACY EIGHT LTD.

Dated as of February 24, 2021

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SHARE PURCHASE AGREEMENT

THIS AGREEMENT is made effective as of the 24th day of February, 2021,

BETWEEN:

LEGACY EIGHT LTD., a corporation incorporated and existing under the laws of the Bahamas
(the “**Vendor**”),

AND:

1242455 B.C. LTD., a corporation incorporated and existing under the laws of the Province of British Columbia, Canada
(the “**Purchaser**”).

WHEREAS:

- A. Each of (i) Legacy Eight Curaçao NV, a corporation incorporated and existing under the laws of Curaçao (“**L8 Curaçao**”), (ii) Azteca Messenger Services S.A. de C.V., a corporation incorporated and existing under the laws of Mexico (“**Azteca**”), (iii) Phoenix Digital Services Ltd. a corporation incorporated and existing under the laws of England and Wales (“**Phoenix**”), is a wholly-owned subsidiary of the Vendor;
- B. Each of (i) Bulleg Eight Limited, a corporation incorporated and existing under the laws of Cyprus (“**Bulleg**”) and (ii) Legacy Eight Malta Ltd., a corporation incorporated and existing under the laws of Malta (“**L8 Malta**”) is a wholly-owned subsidiary of L8 Curaçao; and
- C. The Vendor wishes to sell and transfer to the Purchaser and the Purchaser wishes to purchase and accept from the Vendor all of the outstanding shares in L8 Curacao, Azteca and Phoenix (collectively, the “**Vendor Shares**”) in exchange for the Payment Shares (as defined below) subject to the terms and conditions set forth in this Agreement (the “**Transaction**”).

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1 **DEFINITIONS**

1.1 Definitions.

For the purpose of this Agreement, terms used in this Agreement and not otherwise defined will have the respective meanings set out below. Grammatical variations of such terms will have corresponding meanings:

“Accounts Payable” means any accrued trade accounts payable of and the L8 Subsidiaries incurred prior to the Closing Date in the Ordinary Course.

“Accounts Receivable” when used in reference to the business of or the L8 Subsidiaries means all trade and other receivables of the L8 Subsidiaries in accordance with financial accounting standards applicable to the relevant entity consistently applied, excluding (a) Related Party Receivables; (b) receivables due or unpaid more than 90 days after the original due date or 120 days after the original invoice date; (c) uncollectable or doubtful accounts.

“Action” means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena, notice of assessment, notice or reassessment or investigation of any nature, civil, criminal, administrative, investigative, regulatory or otherwise, whether at law or in equity.

“Affiliate” when used to indicate a relationship with a specified Person, means a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified Person and a Person shall be deemed to be controlled by another Person if controlled in any manner whatsoever that results in control in fact by that other Person (or that other Person and any Person or Persons with whom that other Person is acting jointly or in concert), whether directly or indirectly. For the purposes of this definition, “control”, when used with respect to any specified Person, means the power to appoint or remove the members of the management board or a similar body of that Person with decisive voting power in such body), whether through ownership of securities, by trust, by contract or otherwise; and the term “controlled” has a corresponding meaning; *provided that*, in any event, any Person that owns directly, indirectly or beneficially 50% or more of the securities having voting power for the election of directors or other governing body of a corporation or 50% or more of the partnership interests or other ownership interests of any other Person will be deemed to control that Person.

“Agreement” means this agreement and all schedules, all exhibits and all instruments supplemental to it or in amendment or confirmation of it.

“Alternative Transaction” means any of the following (and excludes the transactions contemplated by this Agreement): (a) any merger, amalgamation, arrangement, share exchange, take-over bid, tender offer, recapitalization, consolidation or other business combination directly or indirectly involving the Vendor or the Purchaser, or any analogous transaction; (b) any acquisition of all or substantially all of the assets of the Vendor or the Purchaser (or any lease, long-term supply agreement, exchange, mortgage, pledge or other arrangement having a similar economic effect); (c) any acquisition of beneficial ownership of 50% or more of the Vendor’s or the Purchaser’s common shares in a single transaction or a series of related transactions; (d) any acquisition by the Vendor or the Purchaser of any assets or capital stock of another person (other than acquisitions of capital stock or assets of any other person that are not, individually or in the aggregate, material to the Vendor or the Purchaser); or (e) any bona fide proposal to, or public announcement of an intention to, do any of the foregoing on or before the Outside Date.

“Articles” means the original or restated articles of incorporation, articles of amendment, articles of continuance, articles of constitution, articles of amalgamation, articles of arrangement, articles of reorganization, articles of dissolution, articles of revival, letters patent, supplemental letters patent, a special act, memorandum and articles of association or any other instrument by which a corporation is incorporated.

“**Assessment**” has the meaning set forth in Section 5.10(d).

“**Assets**” means all of the assets, real and personal, tangible and intangible of the L8 Subsidiaries.

“**Benefit Plan**” means all employee benefit plans, agreements, programs, policies, practices, material undertakings and arrangements (whether oral or written, formal or informal, funded or unfunded) maintained for, available to or otherwise relating to any employees, directors or officers or former employees, directors or officers of the L8 Subsidiaries, or any spouses, dependents or survivors of any employee or former employee of the L8 Subsidiaries, or in respect of which the L8 Subsidiaries is a party to or bound by or is obligated to contribute or in any way liable, whether or not insured or whether or not subject to any Law, including bonus, deferred compensation, incentive compensation, share purchase, share appreciation, share option, severance and termination pay, hospitalization, health and other medical benefits including medical or dental treatment or expenses, life and other insurance including accident insurance, vision, legal, long-term and short-term disability, salary continuation, vacation, supplemental unemployment benefits, education assistance, equity or equity-based compensation, change of control benefits, profit-sharing, mortgage assistance, employee loan, employee assistance and pension, retirement and supplemental retirement plans (including any defined benefit or defined contribution Pension Plan and any group registered retirement savings plan), and supplemental pension, except that the term “Benefit Plans” shall not include any statutory plans with which the L8 Subsidiaries are required to comply.

“**Books and Records**” means: (a) all of the books of account, accounting records and other financial data and information for the L8 Subsidiaries, including copies of filed Tax Returns and Assessments for each of the financial years commencing after the Tax year ended ten years before the date of this Agreement; (b) the corporate records; (c) all sales and purchase records, lists of suppliers and customers, business, engineering and consulting reports and research and development information; and (d) all other books, documents, files, records, data and information, financial or otherwise, including all data and information stored electronically or on computer related media.

“**Business**” means the business of the L8 Subsidiaries consisting of an online provider (message and insurance) to lottery customers, allowing them to participate in lotteries from any location.

“**Business Day**” means any day except Saturday, Sunday or any other day on which banks located in Vancouver, British Columbia, Toronto Ontario, or the Bahamas are authorized or required by Law to be closed for business.

“**Change of Control**” means the occurrence of both (a) the acquisition or continued ownership of Common Shares and/or securities (“**Convertible Securities**”) convertible into, exchangeable for or representing the right to acquire Common Shares as a result of which a person, group of persons or persons acting jointly or in concert or persons associated or affiliated (within the meanings of the *Business Corporations Act* (British Columbia)) with any such person, group of persons or any of such persons acting jointly or in concert (collectively, the “**Acquirors**”) beneficially own Common Shares and/or Convertible Securities such that, assuming only the conversion, exchange or exercise of Convertible Securities beneficially owned by the Acquirors, the Acquirors would beneficially own Common Shares that would entitle the holders thereof to cast more than 50% of the votes cast attaching to all shares of the Purchaser that may be cast to elect members of the board of directors of the Purchaser; and (b) exercise of voting power over all or any such Common Shares so as to cause or result in the election of such number of directors of the Purchaser as would constitute a majority of the board of directors of the Purchaser.

“**Closing**” has the meaning set forth in Section 2.4.

“**Closing Date**” has the meaning set forth in Section 2.4.

“**Closing Date Tax Year**” has the meaning set forth in Section 5.10(b).

“**Closing Time**” means 10:00 a.m. Vancouver time on the Closing Date or such other time on the Closing Date as the parties agree in writing that the Closing shall take place.

“**Collective Agreement**” means any collective agreement, letter of understanding, letter of intent or other written communication or Contract with any trade union, association that may qualify as a trade union, council of trade unions, employee bargaining agent or affiliated bargaining agent, which would cover any of the Employees.

“**Common Shares**” means common shares without part value in the capital of the Purchaser.

“**Contracts**” means all contracts, leases, deeds, mortgages, licences, instruments, notes, commitments, undertakings, indentures, joint ventures and all other agreements, commitments and legally binding arrangements, whether written or oral.

“**Corporate IP**” means all Intellectual Property that is owned or held for use by the L8 Subsidiaries.

“**Corporate IP Agreements**” means all licences, sublicenses, consent to use agreements, settlements, coexistence agreements, covenants not to sue, permissions and other Contracts (including any right to receive or obligation to pay royalties or any other consideration), whether written or oral, relating to Intellectual Property to which by the L8 Subsidiaries is a party, beneficiary or otherwise bound.

“**Corporate IP Registrations**” means all Corporate IP that is subject to any issuance registration, application or other filing by, to or with any Governmental Authority or authorized private registrar in any jurisdiction, including registered trade-marks, domain names and copyrights, issued and reissued patents and pending applications for any of the foregoing.

“**CSE**” means the Canadian Securities Exchange.

“**Disclosure Schedules**” means the schedules attached to this Agreement delivered by the Vendor to the Purchaser concurrently with the execution and delivery of this Agreement.

“**Disposal**” means any disposal by any means, including dumping, incineration, spraying, pumping, injecting, depositing or burying.

“**Distribution Special Warrants**” means up to 400,000 special warrants of the Purchaser issued at a price of \$0.05 per special warrant the terms of which shall provide that each special warrant shall be automatically converted (without payment of any further consideration) into one (1) Common Share on the date that is the earlier of: (i) the third Business Day after receipt for its non-offering final long form prospectus which qualifies the distribution the Common Shares underlying the Special Warrants; or (ii) one (1) year and one day after the issue date of the Distribution Special Warrant.

“**Dollars**” or “**\$**” means the lawful currency of Canada.

“Employees” means those individuals employed by the L8 Subsidiaries on the date of this Agreement.

“Encumbrances” means any encumbrance or restriction of any kind or nature whatsoever and howsoever arising and includes a security interest, mortgage, easement, adverse ownership interest, defect on title, condition, right of first refusal, right of first offer, right-of-way, encroachment, building or use restriction, conditional sale agreement, hypothec, pledge, deposit by way of security, hypothecation, assignment, charge, security under sections 426 or 427 of the *Bank Act* (Canada), trust or deemed trust, voting trust or pooling agreement with respect to securities, any adverse claim, grant of any exclusive licence or sole licence, or any other right, option or claim of others of any kind whatsoever, and includes any agreement to give any of the foregoing in the future, and any subsequent sale or other title retention agreement or lease in the nature thereof, affecting the L8 Subsidiaries, the Vendor Shares or the Assets.

“Exemption” has the meaning set forth in Section 2.3(d)(i)

“FACFOA” has the meaning set forth in Section 3.26(a)(ii).

“Financial Statements” means such financial statements of the L8 Subsidiaries, to be prepared by the Vendor in accordance with IFRS and consisting of a balance sheet, statement of earnings (loss) and retained earnings, statement of cash flows and the related notes thereto, as may be required by the CSE and applicable Securities Laws for the Listing Statement and Prospectus.

“Governmental Authority” means: (a) any court, tribunal, judicial body or arbitral body or arbitrator; (b) any domestic or foreign government or supranational body or authority whether multinational, national, federal, provincial, territorial, state, municipal or local and any governmental agency, governmental authority, governmental body, governmental bureau, governmental department, governmental tribunal or governmental commission of any kind whatsoever; (c) any subdivision or authority of any of the foregoing; (d) any quasi-governmental or private body or public body exercising any regulatory, administrative, expropriation or taxing authority under or for the account of the foregoing; (e) any stock or securities exchange; and (f) any public utility authority.

“Governmental Order” means any order, writ, judgment, injunction, decree, stipulation, determination, award, decision, sanction or ruling entered by or with any Governmental Authority.

“IFRS” means International Financial Reporting Standards.

“Independent Contractor” means: (a) any individual who is not, or was not (with respect to former Independent Contractors), an employee, officer or director of the L8 Subsidiaries, or any such individual’s personal services company, and which individual or personal services company receives or received remuneration from the L8 Subsidiaries under a Contract for services; and (b) any individual who is an employee, officer or director the L8 Subsidiaries, but who in the past was an individual who was not an employee, officer or director of the L8 Subsidiaries or any such individual’s personal services company, and which individual or personal services company received remuneration from the L8 Subsidiaries under a Contract for services.

“Insurance Policies” has the meaning set forth in Section 3.15.

“Intellectual Property” means all intellectual property and industrial property rights and assets, and all rights, interests and protections that are associated with, similar to, or required for the exercise of, any of

the foregoing, however arising, under the Laws of any jurisdiction throughout the world, whether registered or unregistered, including any and all: (a) trade-marks, service marks, trade names, brand names, logos, trade dress, design rights and other similar designations of source, sponsorship, association or origin, together with the goodwill connected with the use of and symbolized by, and all registrations, applications and renewals for, any of the foregoing; (b) all business names, corporate names, telephone numbers and other communication addresses owned or used by the L8 Subsidiaries; (c) internet domain names, whether or not trade-marks, registered in any top-level domain by any authorized private registrar or Governmental Authority, web addresses, web pages, websites and related content, accounts with social media companies and the content found thereon and related thereto, and URLs; (d) works of authorship, expressions, designs and design registrations, whether or not copyrightable, including copyrights, author, performer and moral rights, and all registrations, applications for registration and renewals of such copyrights; (e) all industrial designs and applications for registration of industrial designs and industrial design rights, design patents and industrial design registrations owned or used by the L8 Subsidiaries; (f) inventions, discoveries, trade secrets, business and technical information and know-how, databases, data collections and other confidential and proprietary information and all rights therein; (g) patents (including all patent registrations, reissues, divisional applications or analogous rights, continuations and continuations-in-part, re-examinations, renewals, substitutions and extensions thereof), patent applications and other patent rights and any other Governmental Authority issued indicia of invention ownership (including inventor's certificates and patent utility models); and (h) Software.

“L8 Subsidiaries” means, collectively, L8 Curacao, Azteca, Phoenix.

“Law” means any statute, law, ordinance, regulation, rule, instrument, code, order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any Governmental Authority.

“Letter of Intent” means the letter of intent dated January 6, 2021 between the Purchaser and L8 Curaçao related to the Transaction.

“Liabilities” has the meaning set forth in Section 3.8.

“Listing” means the Purchaser's application for listing on the CSE after Closing.

“Listing Statement” means the listing statement of the Purchaser pertaining to the Listing and in the form prescribed by the CSE.

“Losses” means losses, damages, liabilities, deficiencies, Actions, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, including legal fees, disbursements and charges on a substantial indemnity basis and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers; provided that “Losses” shall not include punitive or exemplary damages, except in the case of fraud or to the extent actually awarded to a Governmental Authority or other third party.

“Material Adverse Effect” means any event, occurrence, fact, condition or change that is, or could reasonably be expected to become, individually or in the aggregate, materially adverse to: (a) the business, results of operations, condition (financial or otherwise) or assets of the L8 Subsidiaries; provided that: (i) “Material Adverse Effect” shall not include any event, occurrence, effect, condition or change, directly or indirectly, arising out of or attributable to: (A) any changes in general economic or political conditions; (B) conditions generally affecting the industries in which the L8 Subsidiaries operate; (C) any changes in financial or securities markets in general; (D) acts of war (whether or not declared), armed hostilities or

terrorism, or the escalation or worsening thereof; (E) general outbreaks of illness; (F) any changes in applicable Laws or accounting rules or principles, including IFRS; or (G) the public announcement, pendency or completion of the transactions contemplated by this Agreement; and (ii) any event, occurrence, fact, condition or change referred to in clauses (i)(A) through (E) shall be taken into account in determining whether a Material Adverse Effect has occurred or could reasonably be expected to occur to the extent that such event, occurrence, fact, condition or change has a disproportionate effect on the L8 Subsidiaries compared to other participants in the industries in which the L8 Subsidiaries conducts its businesses.

“Material Contracts” has the meaning set forth in Section 3.10(a).

“NI 45-106” means National Instrument 45-106 – *Prospectus and Registrations Exemptions*.

“Ordinary Course”, when used in relation to the conduct of the Business, means any transaction that constitutes an ordinary day-to-day business activity of the L8 Subsidiaries conducted in a manner consistent with the L8 Subsidiaries past practice.

“Outside Date” means August 31, 2021 or such other date as the parties may agree to in writing.

“Payment Shares” has the meaning set forth in Section 2.2.

“Pension Plan” means a **“registered pension plan”** as that term is defined in section 248(1) of the Tax Act or any other pension, pre-pension and voluntary early retirement, death, disability, sickness and similar arrangements of the L8 Subsidiaries applying to any employee or former employee, including any proposed amendments to such arrangements, or other commitments that have, explicitly or tacitly, been made to any employee or former employee.

“Permits” means all permits, licences, franchises, approvals, authorizations, registrations, certificates, variances and similar rights obtained, or required to be obtained, from Governmental Authorities.

“Permitted Encumbrances” means: (a) statutory Encumbrances for current Taxes, special assessments or other governmental charges not yet due and payable or delinquent or, if overdue, are being contested diligently and in good faith by appropriate proceedings and for which adequate reserves are being maintained and for which appropriate accruals have been established in the Financial Statements in accordance with IFRS; and (b) Encumbrances listed in Schedule 1.1(i) of the Disclosure Schedules but only to the extent such Encumbrances conform to their description in Schedule 1.1(i) of the Disclosure Schedules.

“Person” means an individual, corporation, company, limited liability company, body corporate, partnership, joint venture, Governmental Authority, unincorporated organization, trust, association or other entity.

“Personal Information” means any factual or subjective information, recorded or not, about an employee, Independent Contractor, contractor, agent, consultant, officer, director, executive, client, customer or supplier of the L8 Subsidiaries who is a natural person or a natural person who is a shareholder of the Vendor, or about any other identifiable individual, including any record that can be manipulated, linked or matched by a reasonably foreseeable method to identify an individual, but does not include the name, title or business address or telephone number of an employee of the L8 Subsidiaries.

“Private Placement” means a private placement of Private Placement Subscription Receipts for aggregate gross proceeds of a minimum of \$5,000,000 and a maximum of \$10,000,000.

“Private Placement Subscription Receipts” means the subscription receipts of the Purchaser to be issued by Purchaser at a price of \$0.50 per subscription receipt pursuant to the Private Placement, each of which, upon satisfaction of all conditions precedent to the Transaction, shall be deemed converted for one (1) Common Share.

“Prospectus” means the non-offering prospectus of the Purchaser prepared in accordance with Applicable Laws.

“Purchaser” has the meaning set forth in the preamble.

“Purchaser Financial Statements” means such financial statements of the Purchaser, to be prepared by the Purchaser in accordance with IFRS and consisting of a balance sheet, statement of earnings (loss) and retained earnings, statement of cash flows and the related notes thereto, as may be required by the CSE and applicable Securities Laws for the Listing Statement and Prospectus.

“Purchaser’s Knowledge” or any other similar knowledge qualification means the actual knowledge of any director or officer of the Purchaser, after reasonable inquiry.

“Real Property” means rights, title, estate and interest, present or future, of the L8 Subsidiaries in and to the lands and premises, including all buildings, erections, structures, fixtures and improvements of any nature or kind now and hereafter situated thereon and all other appurtenances thereto.

“Related Party” has the meaning set forth in Section 3.21(b).

“Related Party Receivables” means any receivable owing to the L8 Subsidiaries by the Vendor or any other Related Party.

“Related Person” has the meaning set forth in Section 3.21(a).

“Release” means any actual or threatened release, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, abandonment, disposing or allowing to escape or migrate of any Hazardous Substance into or through the Environment or as defined in any Environmental Law.

“Remedial Order” means any Governmental Order issued, filed or imposed under any Environmental Law and includes any Governmental Order requiring any remediation or clean-up of any Hazardous Substance, or requiring that any Release or Disposal be reduced or eliminated.

“Representative” means, with respect to any Person, any, and all, directors, officers, employees, consultants, financial advisors, lawyers, accountants and other agents of such Person.

“Securities Laws” means the securities legislation having application, the regulations and rules thereunder and all administrative policy statements, instruments, blanket orders, notices, directions and rulings issued or adopted by the applicable securities regulatory authority, all as amended.

“SEDAR” means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators.

“SEMA” has the meaning set forth in Section 3.26(a)(ii).

“Software” means computer programs, operating systems, applications, interfaces, applets, software scripts, macros, firmware, middleware, development tools and other codes, instructions or sets of instructions for computer hardware or software, including SQL and other query languages, hypertext markup language, wireless markup language, xml and other computer markup languages, in object, source code or other code format.

“Special Warrants” means together, the Distribution Special Warrants and the Private Placement Special Warrants.

“Tax Act” means the *Income Tax Act* (Canada).

“Tax” or **“Taxes”** means all taxes, surtaxes, duties, levies, imposts, fees, assessments, reassessments, withholdings, dues and other charges of any nature, imposed or collected by any Governmental Authority, whether disputed or not, including federal, provincial, territorial, state, municipal and local, foreign and other income, franchise, capital, capital gain, corporate income tax (CIT), real property, personal property, withholding, payroll, transfer, value added tax (VAT), alternative, or add on minimum tax, sales, use, consumption, excise, customs, anti-dumping, countervail, net worth, stamp, registration, franchise, payroll, employment, education, business, local improvement, development and occupation taxes, duties, levies, imposts, fees, assessments and withholdings and as applicable, health and school taxes, contributions, social security charges, employment insurance premiums and all other taxes and similar governmental charges, levies or assessments of any kind whatsoever imposed by any Governmental Authority including any installment payments, interest, penalties or other additions associated therewith, whether or not disputed.

“Tax Period” means any period prescribed by any Governmental Authority for which a Tax Return is required to be filed or Tax is required to be paid.

“Tax Return” means all reports, returns, information returns, claims for refunds, elections, designations, estimates, reports and other documents, including any schedule or attachments thereto, filed or required to be filed or supplied to any Governmental Authority in respect of Taxes and including any amendment thereof or attachment thereto.

“Transaction” has the meaning set forth in the preamble.

“Transaction Documents” means this Agreement and all other documents contemplated herein.

“Vendor” has the meaning set forth in the preamble.

“Vendor’s Knowledge” or any other similar knowledge qualification, means the actual knowledge of any director or officer of the Vendor, or the L8 Subsidiaries.

“Vendor Nominees” means, such parties as may be determined by the Vendor from time to time.

“United States” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

“U.S. Person” means a U.S. person as defined in Rule 902(k) of Regulation S under the U.S. Securities Act.

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

“U.S. Shareholder” means (i) a U.S. Person, (ii) any person who receives or received an offer of the Payment Shares while in the United States; (iii) any person acquiring the Payment Shares on behalf of, or for the account or benefit of any U.S. Person or any person in the United States, or (iv) any person who is or was in the United States at the time when such person executed or delivered this Agreement.

ARTICLE 2

PURCHASE AND SALE

2.1 Purchase and Sale

Subject to the terms and conditions set forth herein, at the Closing, the Vendor shall sell and transfer to the Purchaser, and the Purchaser shall purchase and accept transfer from the Vendor, the Vendor Shares, free and clear of all Encumbrances, for the consideration specified in Section 2.2.

2.2 Consideration

In consideration for the Transaction, the Purchaser shall, at the Closing Time, issue to the order and direction of the Vendor 30,000,000 Common Shares at a deemed price of \$0.50 per Common Share (the **“Payment Shares”**).

2.3 Restrictions on Resale

- (a) The Common Shares issuable upon conversion of the Subscription Receipts will be subject to a contractual escrow period commencing immediately upon issuance and ending four (4) months after the date of Listing (the **“SR Common Shares Restrictions”**).
- (b) Save and except (i) the Common Shares issuable upon conversion of the Subscription Receipts, which will be subject to the SR Common Shares Restrictions in accordance with Section 2.3(a) and (ii) the Common Shares issuable upon conversion of the Distribution Special Warrants which will be free trading at the time of Listing, all Common Shares issued in connection with this Agreement, including, but not limited to, the Payment Shares, and all Common Shares issued and outstanding as of the date hereof will be subject to the following restrictions on sale (the **“Common Shares Restrictions”**):
 - (i) fifteen percent (15%) to be free trading at the time of Listing; and
 - (ii) eight and a half percent (8.5%) to be free trading every 30 days thereafter until all such Common Shares are free trading.
- (c) The SR Common Shares Restrictions and the Common Shares Restrictions:

- (i) shall be removed effective immediately upon the consummation of any Change of Control transaction; and
 - (ii) may be amended from time-to-time as agreed upon by the Vendor and the Purchaser, acting reasonably.
- (d) The Vendor acknowledges and agrees as follows:
 - (i) the transfer of the Vendor Shares and the issuance of the Payment Shares in exchange therefor will be made pursuant to the take-over bid prospectus exemption found in Section 2.16 of NI 45-106 (the “**Exemption**”);
 - (ii) as a consequence of acquiring the Payment Shares pursuant to the Exemption:
 - (A) the Vendor will be restricted from using certain of the civil remedies available under the Securities Laws;
 - (B) the Vendor may not receive information that might otherwise be required to be provided to the Vendor, and the Purchaser is relieved from certain obligations that would otherwise apply under Securities Laws if the Exemption were not being relied upon by the Purchaser;
 - (C) no securities commission, stock exchange or similar regulatory authority has reviewed or passed on the merits of an investment in the Payment Shares;
 - (D) there is no government or other insurance covering the Payment Shares; and
 - (E) an investment in the Payment Shares is speculative and of high risk;
 - (iii) the certificates representing the Payment Shares will bear such legends as required by the policies of the CSE and it is the responsibility of the Vendor to find out what those restrictions are and to comply with them before selling the Payment Shares;
 - (iv) the Vendor is knowledgeable of, or has been independently advised as to, the applicable Laws of that jurisdiction which apply to the sale of the Vendor Shares and the issuance of the Payment Shares and which may impose restrictions on the resale of such Payment Shares in that jurisdiction and it is the responsibility of the Vendor to find out what those resale restrictions are, and to comply with them before selling the Payment Shares; and
 - (v) None of the securities of the Purchaser proposed for issuance pursuant to the Transaction have been or will be registered under the U.S. Securities Act or under the securities laws of any state of the United States, and the Transaction will be completed in reliance by the Purchaser upon exemptions from U.S. federal and state registration requirements.

2.4 Closing

Subject to the terms and conditions of this Agreement, the purchase and sale of the Vendor Shares contemplated hereby shall take place at a closing (the “**Closing**”) to be held at the Closing Time on the date that is three Business Days after the last of the conditions to Closing of this Agreement have been satisfied or waived by the Vendor and/or the Purchaser, as applicable (other than conditions which, by nature, are to be satisfied on the Closing Date), or at such other time or on such other date as the Vendor and the Purchaser may mutually agree upon in writing, provided that such date will be no later than the Outside Date (the day on which the Closing takes place being the “**Closing Date**”).

ARTICLE 3 **REPRESENTATIONS AND WARRANTIES OF THE VENDOR**

Except as set forth in the correspondingly numbered Section of the Disclosure Schedules, the Vendor hereby represents and warrants to the Purchaser that the statements contained in this Article 3 are true and correct as of the date hereof, and covenants where applicable as follows.

3.1 Corporate Status and Authorization of the Vendor.

The Vendor has the power and capacity to enter into this Agreement and the other Transaction Documents to which the Vendor is a party, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by the Vendor of this Agreement and any other Transaction Documents to which the Vendor is a party, the performance by the Vendor of its obligations hereunder and thereunder and the consummation by the Vendor of the transactions contemplated hereby and thereby have been duly authorized. This Agreement has been duly executed and delivered by the Vendor, and (assuming due authorization, execution and delivery by the Purchaser), this Agreement constitutes a legal, valid and binding obligation of the Vendor enforceable against the Vendor in accordance with its terms. When each other Transaction Document to which the Vendor is or will be a party has been duly executed and delivered by the Vendor (assuming due authorization, execution and delivery by each other party thereto), such Transaction Document will constitute a legal, valid and binding obligation of the Vendor enforceable against it in accordance with its terms.

3.2 Corporate Status and Registration of the L8 Subsidiaries.

The L8 Subsidiaries are corporations incorporated and validly existing under the Laws of their respective jurisdictions and have not been discontinued or dissolved under such Laws. Except as set out in Schedule 3.2 of the Disclosure Schedules, no steps or proceedings have been taken to authorize or require such discontinuance or dissolution, the bankruptcy, insolvency, liquidation or winding up of the L8 Subsidiaries. the L8 Subsidiaries have submitted all notices or returns of corporate information and other filings required by Law to be submitted by them to any Governmental Authority. the L8 Subsidiaries have the corporate power and capacity to own, operate or lease the properties and assets now owned, operated or leased by it and to carry on its business as it has been and is currently conducted. All corporate actions taken by the L8 Subsidiaries in connection with this Agreement and the other Transaction Documents will be duly authorized on or before the Closing.

3.3 Solvency.

The Vendor is not an insolvent Person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) and has not committed an act of bankruptcy, made an assignment in favour of its creditors or a proposal in bankruptcy to its creditors or any class thereof. The Vendor has not initiated proceedings with respect to a compromise or arrangement with its creditors or for its winding up, liquidation or dissolution. No receiver or interim receiver has been appointed in respect of the Vendor or any of the Vendor's assets and no execution or distress has been levied on any of assets of the Vendor (including the Vendor Shares), nor have proceedings been commenced in connection with any of the foregoing.

3.4 Capitalization

- (a) The issued and outstanding capital of L8 Subsidiaries are as set out in Schedule 3.4(a) of the Disclosure Schedules of which, with respect to the L8 Subsidiaries, only the Vendor Shares are issued and outstanding and constitute the Vendor Shares to be purchased by the Purchaser subject to the terms and conditions of this Agreement. All of the Vendor Shares have been duly authorized, are validly issued, fully paid and non-assessable, and, except as set out in Schedule 3.4(a) of the Disclosure Schedules, the Vendor is the registered and beneficial owners of all of the Vendor Shares free and clear of all Encumbrances. The Vendor has the exclusive right to dispose of the Vendor Shares being sold by it pursuant to this Agreement.
- (b) All the Vendor Shares were issued in compliance with applicable Laws. None of the Vendor Shares were issued in violation of any agreement, arrangement or commitment to which the Vendor or the L8 Subsidiaries is a party or are subject to or in violation of any pre-emptive or similar rights of any Person.
- (c) There are no outstanding or authorized options, warrants, convertible securities or other rights, agreements, arrangements or commitments of any character relating to any shares in the capital of the L8 Subsidiaries or obligating the Vendor or the L8 Subsidiaries to issue or sell any shares of, or any other interest in, the L8 Subsidiaries.
- (d) the L8 Subsidiaries do not have any outstanding and have not authorized any equity compensation plan, share appreciation, phantom share, profit participation or similar rights.
- (e) There are no voting trusts or agreements, pooling agreements or other shareholder agreements, proxies or other agreements or understandings in effect with respect to the voting or transfer of any of the Vendor Shares

3.5 No Subsidiaries.

- (a) The L8 Subsidiaries do not own, or have any interest in any shares or have securities, or another ownership interest, in any other Person except for L8 Curacao's 100% interest in each of Bulleg and L8 Malta.

- (b) Except as disclosed in Schedule 3.5(b) of the Disclosure Schedules, the Vendor holds all issued and outstanding shares in the capital of the L8 Subsidiaries and such shares are free and clear of all Encumbrances.

3.6 No Conflicts; Consents.

The execution, delivery and performance by the Vendor of this Agreement and the other Transaction Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) conflict with or result in a violation or breach of, or default under, any provision of the Articles, by-laws or other constating documents of the Vendor and the L8 Subsidiaries; (b) conflict with or result in a violation or breach of any provision of any Law or Governmental Order applicable to the Vendor or the L8 Subsidiaries; (c) require the consent, notice or other action by any Person under, conflict with, result in a violation or breach of, constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default under, result in the acceleration of or create in any party the right to accelerate, terminate, modify or cancel any Contract to which the Vendor the L8 Subsidiaries is a party or by which the Vendor the L8 Subsidiaries is bound or to which any of their respective Assets are subject (including any Material Contract) or any Permit affecting the Assets or Business of the L8 Subsidiaries; or (d) result in the creation or imposition of any Encumbrance other than Permitted Encumbrances on any Assets of the L8 Subsidiaries. No consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to any Vendor or the L8 Subsidiaries in connection with the execution and delivery of this Agreement and the other Transaction Documents and the consummation of the transactions contemplated hereby and thereby. No proceedings are pending or, to Vendor's Knowledge, threatened against the Vendor or the L8 Subsidiaries that (i) challenge or seek to prevent or delay consummation of the Transaction, (ii) are reasonably likely to result in the prevention or delay of the consummation of the Transaction, or (iii) asserts the illegality of, or seeks to render unenforceable, any material provision of this Agreement or any of the other Transaction Documents.

3.7 Financial Statements

- (a) Complete copies of the Financial Statements will be delivered to the Purchaser pursuant to section 5.14(h) of this Agreement. The Financial Statements will be prepared in accordance with IFRS.
- (b) The Financial Statements: (i) will be based on the Books and Records of the L8 Subsidiaries; and (ii) will fairly, completely and accurately present in all material respects the Assets, Liabilities and financial position of the L8 Subsidiaries as of the respective dates they were prepared and the results of the operations of the L8 Subsidiaries for the periods covered thereby.
- (c) The L8 Subsidiaries maintain a standard system of accounting established and administered in accordance with IFRS.

3.8 Undisclosed Liabilities.

The L8 Subsidiaries have no liabilities, obligations or commitments of any nature whatsoever, asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured or otherwise (collectively, the "**Liabilities**"), except: (a) those that are adequately reflected or reserved

against in the Balance Sheet as of the Balance Sheet Date; and (b) those that have been incurred in the Ordinary Course since the Balance Sheet Date and that are not, individually or in the aggregate, material in amount.

3.9 Absence of Certain Changes, Events and Conditions.

Since the Balance Sheet Date, and other than in the Ordinary Course, there has not been, with respect to the L8 Subsidiaries, any:

- (a) event, occurrence or development that has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect;
- (b) amendment of the Articles, by-laws or other constating documents of the L8 Subsidiaries;
- (c) split, consolidation or reclassification of any shares in the L8 Subsidiaries;
- (d) issuance, sale or other disposition of any shares in the L8 Subsidiaries, or grant of any options, warrants or other rights to purchase or obtain (including upon conversion, exchange or exercise) any shares in the L8 Subsidiaries;
- (e) declaration or payment of any dividends or distributions on or in respect of any shares in the L8 Subsidiaries or redemption, retraction, purchase or acquisition of such shares;
- (f) material change in the L8 Subsidiaries' cash management practices and its policies, practices and procedures with respect to collection of Accounts Receivable, establishment of reserves for uncollectible accounts, accrual of Accounts Receivable, inventory control, prepayment of expenses, payment of trade accounts payable, accrual of other expenses, deferral of revenue and acceptance of customer deposits;
- (g) entry into any Contract outside of the Ordinary Course;
- (h) incurrence, assumption or guarantee of any indebtedness for borrowed money except unsecured current obligations and Liabilities incurred in the Ordinary Course;
- (i) transfer, assignment, sale or other disposition of any of the Assets shown or reflected in the Financial Statements or cancellation of any debts or entitlements;
- (j) transfer, assignment or grant of any licence or sublicense of any material rights under or with respect to any Corporate IP or Corporate IP Agreements;
- (k) material damage, destruction or loss (whether or not covered by insurance) to any of its Assets;
- (l) any capital investment in, or any loan to, any other Person;
- (m) acceleration, termination, material modification to or cancellation of any Contract to which the L8 Subsidiaries is a party or by which it is bound;
- (n) any material capital expenditures;

- (o) imposition of any Encumbrance upon any of the Vendor Shares or Assets, tangible or intangible;
- (p) (i) grant or commitment to grant of any bonuses, whether monetary or otherwise, or increase in any wages, salary, severance, pension or other compensation or benefits in respect of its current or former employees, officers, directors, Independent Contractors or consultants, other than as provided for in any written agreements or required by applicable Law; (ii) change in the terms of employment for any employee or any termination of any employees for which the aggregate costs and expenses exceed \$10,000; or (iii) action to accelerate the vesting or payment of any compensation or benefit for any current or former employee, officer, director, Independent Contractor or consultant;
- (q) hiring or promoting, or commitment to hire or promote, any individual as or to (as the case may be) an officer or hiring or promoting any employee below officer except to fill a vacancy in the Ordinary Course;
- (r) adoption, modification or termination of any: (i) employment, severance, retention or other agreement with any current or former employee, officer, director, Independent Contractor or consultant; (ii) Benefit Plan; or (iii) Collective Agreement, in each case, whether written or oral;
- (s) any loan to (or forgiveness of any loan to), or entry into any other transaction with, any of its Related Parties save as otherwise disclosed pursuant to this Agreement;
- (t) entry into a new line of business or abandonment or discontinuance of existing lines of business;
- (u) adoption of any amalgamation, arrangement, reorganization, liquidation or dissolution or the commencement of any proceedings by the L8 Subsidiaries or its creditors seeking to adjudicate the L8 Subsidiaries as bankrupt or insolvent, making a proposal with respect to the L8 Subsidiaries under any Law relating to bankruptcy, insolvency, reorganization, arrangement or compromise of debts or similar laws, appointment of a trustee, receiver, receiver-manager, agent, custodian or similar official for the L8 Subsidiaries or for any substantial part of its Assets;
- (v) purchase, lease or other acquisition of the right to own, use or lease any Assets for an amount in excess of \$50,000, individually (in the case of a lease, per annum) or \$50,000 in the aggregate (in the case of a lease, for the entire term of the lease, not including any option term), except for purchases of inventory or supplies in the Ordinary Course;
- (w) acquisition by amalgamation or arrangement with, or by purchase of a substantial portion of the assets or shares of, or by any other manner, any business or any Person or any division thereof;
- (x) action by the L8 Subsidiaries to make, change or rescind any Tax election, amend any Tax Return or take any position on any Tax Return, take any action, omit to take any action or enter into any other transaction that would have the effect of increasing the Tax liability or reducing any Tax asset or attribute of the L8 Subsidiaries; or

- (y) any Contract to do any of the foregoing, or any action or omission that would result in any of the foregoing.

3.10 Material Contracts

- (a) Schedule 3.10(a) of the Disclosure Schedules lists all of Contracts that are material to the L8 Subsidiaries or the operation of the Business (collectively, the “**Material Contracts**”).
- (b) Each Material Contract is valid and binding on the L8 Subsidiaries in accordance with its terms and is in full force and effect. To the Vendor’s Knowledge, none of the L8 Subsidiaries or any other party thereto is in material breach of or material default under (or, to the Vendor’ Knowledge, is alleged to be in material breach of or material default under), or has provided or received any notice of any intention to terminate, any Material Contract. No event or circumstance has occurred that, with notice or lapse of time or both, would constitute an event of default under any Material Contract or result in a termination thereof or would cause or permit the acceleration or other changes of any right or obligation or the loss of any benefit thereunder. For the purpose of this section 3.10 a breach or default shall be deemed to be material if it can be reasonably expected to have a material effect on the Business.

3.11 Title to Assets; Real Property; Leases

- (a) the L8 Subsidiaries are the legal and beneficial owner of the personal property and other Assets reflected in the Financial Statements except as otherwise set out in the Financial Statements.
- (b) the L8 Subsidiaries do not and have not directly or indirectly owned any legal or beneficial interest in any Real Property.

3.12 Intellectual Property

- (a) All required filings and fees related to the Corporate IP Registrations have been timely filed with and paid to the relevant Governmental Authorities and authorized registrars, and all Corporate IP Registrations are otherwise in good standing.
- (b) Except as set out in Schedule 3.12(b) of the Disclosure Schedules and without limiting the generality of the foregoing, the L8 Subsidiaries have entered into binding, written agreements with every current employee and former employee (whose employment agreement ended in the last 3 years) of the L8 Subsidiaries’, and with every current Independent Contractor and former Independent Contractor (whose agreement ended in the last 3 years), whereby such employees and Independent Contractors: (i) assigned to the L8 Subsidiaries’ any ownership interest and right they may have in the Corporate IP; and (ii) acknowledge the L8 Subsidiaries’ exclusive ownership of all Corporate IP, to the extent permissible by Law, provided such Employee or Independent Contractor was engaged in a role that resulted in the creation of Corporate IP material to the Business. With respect to those former Employees and former Independent Contractors whose agreements and/or employment ended more than three years from the date hereof, there are no Actions pending or, to Vendor’s Knowledge, threatened against or by the L8

Subsidiaries' relating to any ownership interest and right in the Corporate IP and no event has occurred or circumstances exist to Vendor's Knowledge that may give rise to, or serve as a basis for, any such Action.

- (c) Save as set out in respect to Phoenix in (b) above, the L8 Subsidiaries are the sole and exclusive legal and beneficial, and with respect to the Corporate IP Registrations, registered, owner of all right, title and interest in and to the Corporate IP or hold a license to the same, and have the valid right to use all other Intellectual Property used in or necessary for the conduct of the Business or the L8 Subsidiaries' current operations in all material respects, and in each case, free and clear of Encumbrances other than Permitted Encumbrances.
- (d) The consummation of the transactions contemplated hereunder will not result in the loss or impairment of or payment of any additional amounts with respect to, nor require the consent of any other Person in respect of, the L8 Subsidiaries' right to own, use or hold for use any Intellectual Property as owned, used or held for use in the conduct of the Business or the L8 Subsidiaries' operations as currently conducted.
- (e) the L8 Subsidiaries' rights in the Corporate IP are valid, subsisting and enforceable. The L8 Subsidiaries has taken all reasonable steps to maintain the Corporate IP and to protect and preserve the confidentiality of all trade secrets included in the Corporate IP.
- (f) To the Vendor's Knowledge, the conduct of the Business as currently and formerly conducted, and the products, processes and services of the L8 Subsidiaries, have not infringed, misappropriated, diluted or otherwise violated, and do not and will not infringe, dilute, misappropriate or otherwise violate the Intellectual Property or other rights of any Person. To the Vendor's knowledge, No Person has infringed, misappropriated, diluted or otherwise violated, or is currently infringing, misappropriating, diluting or otherwise violating, any Corporate IP.
- (g) There are no Actions (including any oppositions, expungement proceedings, interferences or re-examinations) settled, pending or threatened (including in the form of offers to obtain a licence): (i) alleging any infringement, misappropriation, dilution or violation of the Intellectual Property of any Person the L8 Subsidiaries; (ii) challenging the validity, enforceability, registrability or ownership of any Corporate IP or the L8 Subsidiaries' rights with respect to any Corporate IP; or (iii) by the L8 Subsidiaries or any other Person alleging any infringement, misappropriation, dilution or violation by any Person of the Corporate IP. The L8 Subsidiaries is not subject to any outstanding or prospective Governmental Order (including any application or petition therefor) that does or would restrict or impair the use of any Corporate IP.

3.13 Accounts Receivable.

The Accounts Receivable arising after the date thereof: (a) have arisen from *bona fide* transactions entered into by the L8 Subsidiaries involving the sale of goods or the rendering of services in the Ordinary Course; and (b) to Vendor's Knowledge, constitute only valid, undisputed claims of the L8 Subsidiaries not subject

to claims of set-off or other defences or counter-claims other than normal cash discounts accrued in the Ordinary Course, or other defences or counter-claims to a maximum value of \$1,000 USD per claim.

3.14 Accounts Payable.

The L8 Subsidiaries have paid its Accounts Payable in a timely manner and in the Ordinary Course and none of the Accounts Payable are overdue.

3.15 Insurance.

All insurance policies held by the L8 Subsidiaries as of the execution date of this Agreement are in full force and effect and shall remain in full force and effect following the consummation of the transactions contemplated by this Agreement. Neither of the Vendor nor any of its Affiliates (including the L8 Subsidiaries) have received any written notice of cancellation of, premium increase with respect to, or alteration of coverage under, any of any Insurance Policies. All premiums due on the Insurance Policies have either been paid or, if due and payable before Closing, will be paid before Closing in accordance with the payment terms of each Insurance Policy. All such Insurance Policies: (a) are valid and binding in accordance with their terms; and (b) have not been subject to any lapse in coverage. There are no claims related to the business of the L8 Subsidiaries pending under any Insurance Policies as to which coverage has been questioned, denied or disputed or in respect of which there is an outstanding reservation of rights. To the Vendor's Knowledge, neither of the Vendor nor any of its Affiliates (including the L8 Subsidiaries) is in default under, or has otherwise failed to comply with, in any material respect, any provision contained in any Insurance Policy.

3.16 Legal Proceedings; Governmental Orders

- (a) Except as set out in Schedule 3.16(a) of the Disclosure Schedules, there are no Actions pending or, to Vendor's Knowledge, threatened: (a) against or by the L8 Subsidiaries affecting any of its Assets (or by or against the Vendor or any Affiliate thereof and relating to the L8 Subsidiaries); or (b) against or by the L8 Subsidiaries, the Vendor or any Affiliate of the Vendor that challenges or seeks to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. No event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such Action.
- (b) There are no outstanding Governmental Orders and no unsatisfied judgments, penalties or awards against or affecting the L8 Subsidiaries or any of its Assets.

3.17 Compliance with Laws; Permits

- (a) The L8 Subsidiaries have complied, and are now complying, with all Laws applicable to them or their Business or Assets in all material respects. The L8 Subsidiaries have implemented policies to comply in material respects with data protection Laws and regulation applicable in their respective jurisdictions.
- (b) All Permits required for the L8 Subsidiaries to conduct their Business have been obtained by them and are valid and in full force and effect in all material respects. All fees and charges with respect to such Permits as of the date hereof have been paid in full. To the Vendor's Knowledge, no event has occurred that, with or without notice or lapse of time

or both, would reasonably be expected to result in the revocation, suspension, lapse or limitation of any Permit.

3.18 Benefit Plans

Except as set out in Schedule 3.18 of the Disclosure Schedules:

- (a) None of the L8 Subsidiaries is a party to or bound by, nor do any of the L8 Subsidiaries have any Liability with respect to, any Benefit Plans.
- (b) The L8 Subsidiaries have no obligations or Liabilities under any Benefit Plan, including to provide benefits, to any Person who is not an employee, director or officer or former employee, director or officer of the L8 Subsidiaries.
- (c) The L8 Subsidiaries do not have any obligation to pay any change-in- control, sale, completion, incentive, stay, retention and similar bonuses or payments to any current or former employee as a result of the transactions contemplated by this Agreement.

3.19 Employment Matters

- (a) The L8 Subsidiaries has complied with all obligations arising out of statutory provisions, regulations, employment agreements, collective bargaining agreements and final judicial decisions, if any.
- (b) All payments required to be made under statutory provisions, regulations, employment agreements, collective bargaining agreements and final judicial decisions, if any, until the consummation of the Transaction contemplated herein, have been timely made or provided for in the relevant Financial Statements which accruals shall form part of the Non-Ordinary Course Liabilities Amount.
- (c) All necessary work permits required by the applicable laws for the employment of directors and/or employees of the L8 Subsidiaries have been obtained and are in full effect.
- (d) the L8 Subsidiaries are not currently, and have not been, a party to any Collective Agreement. No trade union, council of trade unions, employee bargaining agency or affiliated bargaining agent holds bargaining rights with respect to any of the Employees including by way of certification, interim certification, voluntary recognition, related employer or successor employer rights, or has applied or threatened to apply to be certified as the bargaining agent of any of the Employees.
- (e) Except as set out in Schedule 3.19(e) of the Disclosure Schedules, in the two years preceding the date of this Agreement, no notice in writing has been received by the L8 Subsidiaries of any written complaint filed by any of its Employees or former employees against the L8 Subsidiaries or any current or former director or officer thereof or is threatened or pending, claiming or alleging that the L8 Subsidiaries has violated any Laws applicable to the employee or human rights or of any complaints or Actions of any kind involving the L8 Subsidiaries or any of the Employees before any Governmental Authority, including a labour relations board, tribunal or commission.

- (f) There are no current disputes with any Governmental Authorities, self-regulatory authorities, works councils or other employee representatives. No mass dismissals have been announced or are being planned. There are no current disputes with any works councils or other employee representatives.
- (g) No Employee has stated that he or she will resign or retire or cease to provide work or services as a result of the closing of the transactions contemplated by this Agreement.
- (h) There is no notice of assessment, provisional assessment, reassessment, supplementary assessment, penalty assessment or increased assessment which the L8 Subsidiaries have received before the date of this Agreement during the past two years from any workplace safety and insurance or workers compensation board or similar Governmental Authority in any jurisdiction where the Business is carried on that remain unpaid.
- (i) Any and all returns and reports related to social security contributions that are required to be filed with respect to the L8 Subsidiaries prior to the date hereof have been correctly filed. the L8 Subsidiaries have paid in full any and all social security contributions as and when due. No social security Governmental Authority is asserting any deficiency or claim for additional social security contributions (or interest thereon or penalties in connection therewith) and any and all social security contributions which (although not due) have accrued on the basis of the salaries to be paid until the date hereof, have been fully provisioned.
- (j) To the Vendor's Knowledge, there are no allegations, complaints or claims of sexual harassment made against any directors, officers or employees of any L8 Subsidiary and to the Vendor's Knowledge, there are no facts or circumstances likely to give rise to any such allegations, complaints or claims.

3.20 Taxes.

- (a) the L8 Subsidiaries have duly and timely filed all of their Tax Returns with all appropriate Governmental Authorities. Each such Tax Return was true, correct and complete in all material respects and all Taxes, whether actual, deferred, contingent, potential or disputed, attributable to the operation or activities of the L8 Subsidiaries for periods (or portions thereof) ending on or before the Closing Date (whether or not shown due on any Tax Returns and whether or not assessed or reassessed by the appropriate Governmental Authority) have been paid in full or full provisions have been made in the Financial Statements.
- (b) No Governmental Authority of a jurisdiction in which the L8 Subsidiaries has not filed a Tax Return has made any claim that the L8 Subsidiaries is or may be subject to Tax or required to file Tax Returns by that Governmental Authority in such jurisdiction. There is no basis for a claim that the L8 Subsidiaries is subject to Tax in a jurisdiction in which the L8 Subsidiaries does not file Tax Returns.
- (c) There are no matters under audit or appeal with any Governmental Authority relating to Taxes of the L8 Subsidiaries.

- (d) Adequate provision has been made in accordance with the applicable financial accounting standards in the Books and Records for all Taxes payable in respect of the Business or the Assets.
- (e) the L8 Subsidiaries have not received any notice from any Governmental Authority that it is taking steps to assess any additional Taxes against the L8 Subsidiaries for any period for which Tax Returns have been filed and there are no actual or, to the Vendor's Knowledge, pending audit investigations or other Actions of, or against, the L8 Subsidiaries by any Governmental Authority relating to Taxes. No Governmental Authority has given notice of any intention to assert any deficiency or claim for additional Taxes against the L8 Subsidiaries.
- (f) the L8 Subsidiaries have duly and timely withheld or collected the proper amount of Taxes that are required by Law to withheld or collected (including Taxes and other amounts required to be withheld by it in respect of any Person) and have duly and timely remitted to the appropriate Governmental Authority such Taxes and other amounts required to be remitted by the L8 Subsidiaries.
- (g) the L8 Subsidiaries are registered for VAT purposes to the extent such registration is legally required
- (h) the L8 Subsidiaries are not a party to, or bound by, any Tax indemnity, Tax sharing or Tax allocation agreement.
- (i) No Tax rulings have been requested or issued by any Tax authority with respect to the L8 Subsidiaries.
- (j) the L8 Subsidiaries will not be required to include any material item of income in, or exclude any material item or deduction from, taxable income for any taxation year or portion thereof ending after the Closing Date as a result of use of an improper method of accounting, for a taxation year ending before the Closing Date.

3.21 Related Party Transactions.

- (a) Except as set out in Schedule 3.21(a) of the Disclosure Schedules, or otherwise in the Ordinary Course, the L8 Subsidiaries have not made any payment or loan to, or borrowed any monies from or is otherwise indebted to, any officer, director, employee, trustee or shareholder or any Person with whom the L8 Subsidiaries is not dealing at arm's length or any Affiliate or spouse of any of the foregoing (each, a "**Related Person**") other than pursuant to a management, consulting or employment agreement, dividend or otherwise in the Ordinary Course.
- (b) Except as set out in Schedule 3.21(b) of the Disclosure Schedules, neither of the Vendor nor any Affiliate of the Vendor (each, a "**Related Party**") is a party to any Contract other than a management, consulting or employment agreement with the L8 Subsidiaries, no Related Party is indebted to the Vendor or the L8 Subsidiaries and the Vendor and the L8 Subsidiaries are not indebted to any Related Party.

3.22 Books and Records.

The Books and Records the L8 Subsidiaries have been maintained in accordance with sound business practices. At the Closing, all the Books and Records will be in the possession of the L8 Subsidiaries.

3.23 Information and Data Management Systems.

The information and data management systems being used by the L8 Subsidiaries adequately meet in all material respects the L8 Subsidiaries' information needs and the information needs of the Business as now conducted by it. The L8 Subsidiaries have taken commercially reasonable action, steps and measures (whether by instruction, by contract or otherwise): (i) with the Employees permitted access to system application programs and data files utilized by the information and data management systems the L8 Subsidiaries in order to protect the same against unauthorized access, use, copying, modification, theft and destruction, and (ii) to protect both its information and data management systems and its data storage facilities from both physical and on-line intrusion.

3.24 Accounts.

Schedule 3.24 of the Disclosure Schedules sets out: (i) an accurate and complete list of the accounts and of the L8 Subsidiaries, together with the following information for each such account: the name of the bank, trust company or similar institution in which such account or safety deposit box is maintained.

3.25 Brokers.

No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission from the L8 Subsidiaries in connection with the transactions contemplated by this Agreement or any other Transaction Document based upon arrangements made by or on behalf of the Vendor or the L8 Subsidiaries.

3.26 Anti-Money Laundering and Anti-Corruption Practices

- (a) To the Vendor's Knowledge, neither the L8 Subsidiaries nor any of their directors, officers, employees, agents, consultants or representatives:
 - (i) has violated, and the Vendor's execution and delivery of and performance of its obligations under this Agreement will not violate, any Laws related to money laundering or government guidance regarding anti-money laundering and international anti-money laundering principles or procedures of an intergovernmental group or organization and any executive order, directive or regulation under the authority of any of the foregoing, or any orders or licenses issued thereunder in each case to which either, the L8 Subsidiaries or the Vendor are subject in any material respect;
 - (ii) has, in the course of its actions for, or on behalf of the L8 Subsidiaries (A) knowingly used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity, (B) paid or received any bribe or otherwise unlawfully offered or provided, directly or indirectly, anything of value to (or received anything of value from) any foreign or

domestic government employee or official or any other Person, (C) violated or taken any act that would violate any material provision of the *Corruption of Foreign Public Officials Act* (Canada) or other similar Laws of other jurisdictions, (D) violated or taken any act that would violate in any material respect the *Special Economic Measures Act* (Canada) (“SEMA”) or other similar Laws of other jurisdictions, or (E) violated or taken any act that would violate in any material respect the *Freezing Assets of Corrupt Foreign Public Officials Act* (Canada) (“FACFOA”) or other similar Laws of other jurisdictions, (F) violated or taken any act that would violate in any material aspect the *Foreign Corrupt Practices Act* (“FCPA”) or other similar Laws of other jurisdictions in each case to which the L8 Subsidiaries is subject;

- (iii) has, directly or indirectly, taken any action in material violation of any export restrictions, anti-boycott regulations, embargo regulations or other similar applicable Canadian, United States or other foreign Laws;
- (iv) is a Person identified under SEMA, FACFOA or any United Nations resolution or regulation or otherwise a target of economic sanctions under other similar applicable Canadian, United States or foreign Laws; or
- (v) to the Vendor’ Knowledge, has engaged in any business with any Person with whom, or in any country in which it is prohibited for a Person to engage under SEMA, FACFOA, FCPA, any United Nations resolution or regulation or any other Law.

3.27 U.S. Securities Matters

- (a) The Vendor is not a U.S. Person and is not acquiring the applicable Payment Shares on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States.
- (b) A majority of the Vendor’s voting equity is beneficially owned by persons resident outside the United States and the Vendor’s affairs are wholly controlled and directed from outside of the United States.
- (c) The Vendor has no intention to distribute either directly or indirectly any of the Payment Shares in the United States, except in compliance with the U.S. Securities Act.
- (d) The current structure of the Transaction and all transactions and activities contemplated in this Agreement is not a scheme by the Vendor to avoid the registration requirements of the U.S. Securities Act and any applicable state securities laws.

3.32 Merger

The parties agree that the representations and warranties in this Article 3 will not survive the Closing and neither party shall have any liability to the other after the Closing for any breach of the same, and the parties hereby release each other from any such claims.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser represents and warrants to the Vendor that the statements contained in this Article 4 are true and correct as of the date hereof.

4.1 Corporate Status and Authorization of the Purchaser.

The Purchaser is a corporation incorporated and validly existing under the Laws of the province of British Columbia and has not been discontinued or dissolved under such Laws. No steps or proceedings have been taken to authorize or require such discontinuance or dissolution. The Purchaser has submitted all notices or returns of corporate information and other filings required by Law to be submitted by it to any Governmental Authority. The Purchaser has the corporate power and capacity to enter into this Agreement and the other Transaction Documents to which the Purchaser is a party, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by the Purchaser of this Agreement and any other Transaction Document to which the Purchaser is a party, the performance by the Purchaser of its obligations hereunder and thereunder and the consummation by the Purchaser of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of the Purchaser. This Agreement has been duly executed and delivered by the Purchaser, and (assuming due authorization, execution and delivery by the Vendor) this Agreement constitutes a legal, valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms.

4.2 No Conflicts; Consents.

The execution, delivery and performance by the Purchaser of this Agreement and the other Transaction Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) conflict with or result in a violation or breach of, or default under, any provision of the Articles, by-laws or other constating documents of the Purchaser; (b) conflict with or result in a violation or breach of any provision of any Law or Governmental Order applicable to the Purchaser; or (c) require the consent, notice or other action by any Person under any Contract to which the Purchaser is a party. No consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to the Purchaser in connection with the execution and delivery of this Agreement and the other Transaction Documents and the consummation of the transactions contemplated hereby and thereby.

4.3 Capitalization

- (a) The authorized capital of the Purchaser consists of an unlimited number of Common Shares, of which, immediately prior to the Closing Date, no more than 20,000,000 Common Shares will be issued and outstanding as fully paid and non- assessable (on a fully-diluted basis, excluding the Common Shares to be issued upon the deemed conversion of the Subscription Receipts) and the central securities register provided by the Purchaser to the Vendor accurately reflects the number of issued and outstanding Common Shares as of the date hereof.
- (b) All of the issued and outstanding Common Shares were issued in compliance with applicable Laws. None of the issued and outstanding Common Shares were issued in

violation of any agreement, arrangement or commitment to which the Purchaser is a party or is subject to or in violation of any preemptive or similar rights of any Person.

- (c) Except as disclosed in writing by the Purchaser to the Vendor:
 - (i) there are no outstanding or authorized options, warrants, convertible securities or other rights, agreements, arrangements or commitments of any character relating to any shares in the capital of the Purchaser or obligating the Purchaser to issue or sell any shares of, or any other interest in, the Purchaser
 - (ii) the Purchaser does not have outstanding or authorized any share appreciation, phantom share, profit participation or similar rights; and
 - (iii) there are no voting trusts or agreements, pooling agreements, unanimous shareholder agreements or other shareholder agreements, proxies or other agreements or understandings in effect with respect to the voting or transfer of any of the issued and outstanding Common Shares.
- (d) When issued in accordance with the terms hereof, the Payment Shares will be validly issued as fully paid and non-assessable Common Shares and will represent not less than 50% of the issued and outstanding Common Shares (on a fully-diluted basis, excluding the Common Shares to be issued upon the deemed exercise of the Subscription Receipts).
- (e) The Purchaser is not a “reporting issuer” or equivalent in any jurisdiction and no Common Shares are listed or quoted on a stock exchange or electronic quotation system.

4.4 No Subsidiaries.

The Purchaser does not own, or have any interest in any shares or have securities, or another ownership interest, in any other Person.

4.5 Financial Statements

- (a) The Purchaser Financial Statements to be provided pursuant to section 5.14(g) of this Agreement will be prepared in accordance with IFRS applied on a consistent basis throughout the period involved.
- (b) The Purchaser Financial Statements: (i) will be based on the Books and Records of the Purchaser; and (ii) fairly, completely and accurately present in all material respects the assets, Liabilities and financial position of the Purchaser as of the respective dates they were prepared and the results of the operations of the Purchaser for the periods covered thereby.
- (c) The Purchaser Group maintains a standard system of accounting established and administered in accordance with IFRS.

4.6 No Liabilities.

Except as set forth in Section 4.5 of the Disclosure Schedules, the Purchaser Group has no Liabilities, except those that are adequately reflected or reserved against in the Purchaser Balance Sheet.

4.7 Legal Proceedings.

There are no Actions pending or, to the Purchaser's knowledge, threatened against or by the Purchaser or any Affiliate of the Purchaser that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. No event has occurred or circumstances exist that may give rise or serve as a basis for any such Action.

ARTICLE 5 **COVENANTS**

5.1 Conduct of Business Before the Closing.

From the date hereof until the Closing, except as otherwise provided in this Agreement or consented to in writing by the Purchaser (which consent shall not be unreasonably withheld or delayed), the Vendor shall, and shall cause the L8 Subsidiaries to: (i) conduct the Business of the L8 Subsidiaries in the Ordinary Course; and (ii) use commercially reasonable efforts to maintain and preserve intact the current organization and Business of the L8 Subsidiaries and to preserve the rights, franchises, goodwill and relationships of its employees, customers, lenders, suppliers, regulators and others having business relationships with the L8 Subsidiaries. Without limiting the foregoing, from the date hereof until the Closing Date, the Vendor shall, unless required in the Ordinary Course, cause the L8 Subsidiaries to:

- (a) preserve and maintain all its Permits;
- (b) pay its debts, Taxes and other obligations when due;
- (c) maintain the Assets owned, operated or used by the L8 Subsidiaries in the same condition as they were on the date of this Agreement, subject to reasonable wear and tear;
- (d) continue in full force and effect without modification all Insurance Policies, except as required by applicable Law;
- (e) defend and protect its Assets from infringement or usurpation;
- (f) perform all of its obligations under all Contracts relating to or affecting its Assets or Business;
- (g) maintain the Books and Records in accordance with past practice;
- (h) not make any loans, advances or capital contributions to any Person;
- (i) not (A) make, change or revoke, or permit the L8 Subsidiaries to make, change or revoke, any Tax election, or file or cause to be filed an amended Tax Return unless required by Law or (B) make, or permit the L8 Subsidiaries to make, any change in any Tax or

accounting methods or policies or systems of internal accounting controls, except to conform to changes in Laws related to Taxes or accounting requirements;

- (j) not (A) terminate (otherwise than for cause) the employment or services of any director, officer or manager or (B) grant any severance or termination pay to any director, officer or manager or any other employee except in the case of (A) as required under any existing Contract or Benefit Plan or as required by Law;
- (k) comply in all material respects with all applicable Laws; and
- (l) not take or permit any action that would cause any of the changes, events or conditions described in Section 3.9 to occur.

5.2 Access to Information.

From the date hereof until the Closing, the Vendor shall, and shall cause the L8 Subsidiaries to: (a) afford the Purchaser and its Representatives reasonable access to and the right to inspect all of the Assets, premises, Books and Records, Contracts and other documents and data related to the L8 Subsidiaries; (b) furnish the Purchaser and its Representatives with such financial, operating and other data and information related to the L8 Subsidiaries as the Purchaser or any of its Representatives may reasonably request; and (c) instruct the Representatives of the Vendor, the L8 Subsidiaries to cooperate with the Purchaser in its investigation of the L8 Subsidiaries. Any investigation under this Section 5.2 shall be conducted in such manner as not to interfere unreasonably with the conduct of the Business of the L8 Subsidiaries. No investigation by the Purchaser or other information received by the Purchaser other than the information set forth in the Disclosure Schedules shall operate as a waiver or otherwise affect any representation, warranty or agreement given or made by the Vendor in this Agreement.

5.3 Notice of Certain Events

- (a) From the date hereof until the Closing, the Vendor shall promptly notify the Purchaser in writing of any:
 - (i) fact, circumstance, event or action the existence, occurrence or taking of which (A) has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (B) has resulted in, or could reasonably be expected to result in, any representation or warranty made by the Vendor hereunder not being true and correct, or (C) has resulted in, or could reasonably be expected to result in, the failure of any of the conditions set forth in Section 6.2 to be satisfied;
 - (ii) notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement;
 - (iii) notice or other communication from any Governmental Authority in connection with the transactions contemplated by this Agreement; and
 - (iv) Actions commenced or, to the Vendor's Knowledge, threatened against, relating to or involving or otherwise affecting the Vendor the L8 Subsidiaries that, if pending

on the date of this Agreement, would have been required to have been disclosed under Section 3.16 or that relates to the consummation of the transactions contemplated by this Agreement.

- (b) the Purchaser's receipt of information under this Section 5.3 shall not operate as a waiver or otherwise affect any representation, warranty or agreement given or made by the Vendor in this Agreement (including Section 8.1(b)) and shall not be deemed to amend or supplement the Disclosure Schedules.

5.4 Resignations.

The Vendor shall deliver to the Purchaser written resignations, effective as of the Closing Date, of the officers and directors of the L8 Subsidiaries requested by the Purchaser at least five Business Days before the Closing.

5.5 Confidentiality.

From and after the Closing, the Vendor and the Purchaser shall, and shall cause each of their respective Affiliates to, hold, and shall use their reasonable best efforts to cause its or their respective Representatives to hold, in confidence any and all information, whether written or oral, concerning the Purchaser, the Vendor or the L8 Subsidiaries, except to the extent that either party can show that such information: (a) is generally available to, and known by, the public through no fault of the Vendor or the Purchaser, any of the Vendor's or the Purchaser's Affiliates or any of their respective Representatives; or (b) is lawfully acquired by the Vendor or the Purchaser, any of their respective Affiliates or any of their respective Representatives from sources that are not prohibited from disclosing such information by a legal, contractual or fiduciary obligation. If the Vendor or the Purchaser, any of their respective Affiliates or any of their respective Representatives are compelled to disclose any information by judicial or administrative process or by other requirements of Law, the Vendor or the Purchaser shall promptly notify the other party in writing and shall disclose only that portion of such information that Vendor or the Purchaser are advised by their counsel(s) in writing is legally required to be disclosed; provided that the Vendor or the Purchaser shall use their commercially reasonable efforts to obtain an appropriate protective order or other reasonable assurance that confidential treatment will be accorded such information.

5.6 Personal Information Privacy.

Vendor and the Purchaser shall at all times comply with all Laws governing the protection of personal information with respect to Personal Information disclosed or otherwise provided by either party to the other, including Personal Information disclosed by the L8 Subsidiaries under this Agreement. Subject to the information collected by the CSE, the Vendor and the Purchaser shall only collect, use or disclose such Personal Information as contemplated in this Agreement and completing the transactions contemplated in this Agreement. The Vendor and the Purchaser shall safeguard all Personal Information collected in a manner consistent with the degree of sensitivity of the Personal Information and maintain at all times the security and integrity of the Personal Information. Vendor and the Purchaser shall not make copies of the Personal Information or any excerpts thereof or in any way recreate the substance or contents of the Personal Information if the purchase of the Shares is not completed for any reason and shall return all Personal Information to the other party or destroy such Personal Information at the other party's request.

5.7 Books and Records

- (a) To facilitate the resolution of any claims made against or incurred by the Vendor before the Closing, or for any other reasonable purpose, for a period of two years after the Closing, the Purchaser shall:
 - (i) retain the Books and Records (including personnel files) of the L8 Subsidiaries relating to periods before the Closing in a manner reasonably consistent with the prior practices of the L8 Subsidiaries; and
 - (ii) upon reasonable notice, afford the Representatives of the Vendor reasonable access (including the right to make, at the Vendor' expense, photocopies), during normal business hours, to the Books and Records.
- (b) To facilitate the resolution of any claims made by or against or incurred by the L8 Subsidiaries after the Closing, or for any other reasonable purpose, for a period of two years after the Closing, the Vendor shall:
 - (i) retain the Books and Records (including personnel files) of the Vendor which relate to the L8 Subsidiaries and its operations for periods before the Closing; and
 - (ii) upon reasonable notice, afford the Representatives of the Purchaser or the L8 Subsidiaries reasonable access (including the right to make, at the Purchaser's expense, photocopies), during normal business hours, to the Books and Records.
- (c) Neither the Purchaser nor the Vendor shall be obligated to provide the other party with access to any Books or Records (including personnel files) under this Section 5.7(c) where such access would violate any Law.

5.8 Benefit Plans and Employees

- (a) During the Interim Period, the Vendor will continue to provide the Employees with the existing Benefit Plans. On Closing, the participation of the Employees in the Benefit Plans will cease and the Vendor shall, subject to this Section 5.8(a), cease to have any liability or obligation to the L8 Subsidiaries, the Employees or any former employees of the L8 Subsidiaries.
- (b) the Purchaser agrees to provide or cause the L8 Subsidiaries to establish and provide, effective as of the Closing Date, benefit plans that contain benefit provisions that are substantially similar in the aggregate to those provided under the existing Benefit Plans immediately before the Closing Date (the "**Purchaser Benefit Plans**"). Without limiting the foregoing, any Employee's maximum benefit amount recognized under a Benefit Plan will remain unchanged and in place for the remainder of the calendar year under the comparable the Purchaser Benefit Plan upon Closing. Nothing in this Section 5.8(b) prohibits the Purchaser from changing any of the provisions under the Purchaser Benefit Plans at any time.

5.9 Governmental Filings, Approvals and Consents

- (a) The Vendor and the Purchaser shall use their respective commercially reasonable efforts to give all notices to, and obtain all consents from, all third parties that are described in Section 3.6 and Section 4.2 of the Disclosure Schedules.
- (b) If any consent, approval or authorization necessary to preserve any right or benefit under any Contract to which the L8 Subsidiaries is a party is not obtained before the Closing, the Vendor shall, subsequent to the Closing, cooperate with the Purchaser, and the L8 Subsidiaries in attempting to obtain such consent, approval or authorization as promptly thereafter as practicable.

5.10 Pre-Closing Tax Period and Closing Date Tax Year

- (a) On or before the statutory due date, the Vendor shall prepare in accordance with applicable Law and past practice of the L8 Subsidiaries and after providing the Purchaser with a reasonable opportunity (which, in any event, shall not be fewer than 15 Business Days before the date on which such Tax Returns are required to be filed) to review and, in the case of any Tax Returns upon receipt of the Purchaser's approval, not to be unreasonably withheld, conditional or delayed, file, on behalf of and in the name of the L8 Subsidiaries, all income Tax Returns of the L8 Subsidiaries required by Law to be filed for any Pre-Closing Tax Period of the L8 Subsidiaries that are not required to be filed on or before the Closing Date.
- (b) On or before the statutory due date, the Purchaser shall prepare in accordance with applicable Law and past practice of the L8 Subsidiaries and after providing the Vendor with a reasonable opportunity (which, in any event, shall not be fewer than 15 Business Days before the date on which such Tax Returns are required to be filed) to review and, in the case of any Tax Returns upon receipt of the Vendor's approval, file, on behalf of and in the name of the L8 Subsidiaries, all income Tax Returns of the L8 Subsidiaries required by Law to be filed for the taxation year of the L8 Subsidiaries that includes the Closing Date (the "**Closing Date Tax Year**").
- (c) The parties will inform each other of, and cooperate with each other in respect of, any audit inquiries with respect to any Tax Return involving the L8 Subsidiaries in respect of any Pre-Closing Tax Period or of any Tax Return required to be filed under the applicable Laws for the Closing Date Tax Year.
- (d) If the Purchaser or the L8 Subsidiaries receives an assessment or reassessment (each, an "**Assessment**") from any Governmental Authority in respect of any Tax Return in respect of any Pre-Closing Tax Period or any Tax Return filed under applicable Laws for the Closing Date Tax Year, the Purchaser shall deliver or cause to be delivered to the Vendor a copy of the Assessment within 30 days of receiving the Assessment, provided that failure to do so shall not affect the indemnification provided hereunder except only to the extent that the Vendor shall have been actually prejudiced as a result of such failure. The parties will cooperate in responding to or contesting any Assessment.

5.11 Closing Conditions.

During the Interim Period, each party hereto shall, and the Vendor shall cause the L8 Subsidiaries to use its commercially reasonable efforts take such actions as are necessary to expeditiously satisfy the closing conditions set forth in Article 6.

5.12 Public Announcements.

Unless otherwise required by applicable Law or CSE requirements (based upon the reasonable advice of counsel), no party to this Agreement shall make any public announcements in respect of this Agreement or the transactions contemplated hereby or otherwise communicate with any news media without the prior written consent of the other party (which consent shall not be unreasonably withheld or delayed), and the parties shall cooperate as to the timing and contents of any such announcement.

5.13 Further Assurances.

Following the Closing, each of the parties hereto shall, and shall cause their respective Affiliates to, execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement.

5.14 Listing Statement, Prospectus and Financial Statements.

Each of the Purchaser and the Vendor on its own behalf, jointly and severally covenants and agrees that:

- (a) Promptly following the execution of this Agreement, the Purchaser and the Vendor shall take all commercially reasonable steps to jointly prepare and complete the Listing Statement and the Prospectus together with any other documents required by the BCBCA, applicable Securities Laws and other applicable Laws (including shareholder approval, if necessary) and the rules and policies of the CSE in connection with the Transaction, and the Purchaser shall, as promptly as reasonably practicable after obtaining the approval of the CSE as to the final Listing Statement and the approval of the BCSC as to the final Prospectus file such final Listing Statement and final Prospectus on SEDAR.
- (b) The Purchaser will use its commercially reasonable efforts to support the Listing, including providing information required to be included in any listing application, management information circular, personal information form (PIF) or such other document as may be required by the CSE.
- (c) The Purchaser represents and warrants that the Listing Statement and Prospectus will comply in all material respects with all applicable Laws (including applicable Securities Laws), and, without limiting the generality of the foregoing, that the Listing Statement and Prospectus shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made (provided that the Purchaser shall not be responsible for the accuracy of any information relating to the Vendor that is furnished in writing by the Vendor for inclusion in the Listing Statement or Prospectus).

- (d) The Vendor represents and warrants that any information or disclosure relating to the Vendor that is furnished in writing by the Vendor for inclusion in the Listing Statement or Prospectus will comply in all material respects with all applicable Laws (including applicable Securities Laws), and, without limiting the generality of the foregoing, that the Listing Statement shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made (provided that the Vendor shall not be responsible for the accuracy of any information relating to the Purchaser that is furnished in writing by the Purchaser for inclusion in the Listing Statement or Prospectus).
- (e) The Vendor, the Purchaser and their respective legal counsel shall be given a reasonable opportunity to review and comment on drafts of the Listing Statement and Prospectus and other documents related thereto, and reasonable consideration shall be given to any comments made by the Vendor, the Purchaser and their respective counsel, provided that all information relating solely to the Purchaser included in the Listing Statement or Prospectus shall be in form and content satisfactory to the Purchaser, acting reasonably, and all information relating solely to the Vendor included in the Listing Statement or Prospectus shall be in form and content satisfactory to the Vendor, acting reasonably.
- (f) The Purchaser and the Vendor shall promptly notify each other if at any time before the date of filing in respect of the Listing Statement or Prospectus, either party becomes aware that the Listing Statement or Prospectus contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made, or that otherwise requires an amendment or supplement to the Listing Statement or Prospectus and the parties shall cooperate in the preparation of any amendment or supplement to such documents, as the case may be, as required or appropriate.
- (g) The Purchaser shall, as soon as reasonably practicable after the execution of this Agreement and in consultation with the Vendor, prepare the Purchaser Financial Statements.
- (h) The Vendor shall, as soon as reasonably practicable after the execution of this Agreement and in consultation with the Purchaser, prepare the Financial Statements.
- (i) The Vendor shall, in a timely manner, provide for inclusion in any marketing materials in respect of the Transaction such information regarding the Vendor as required or requested by the Purchaser, acting reasonably, to be included in the marketing materials. The parties hereto acknowledge that, except for information prepared or provided by the Vendor for which the Vendor is responsible, neither the Vendor nor any of its affiliates:
 - (i) is or will be the owner of or shall have responsibility for the content of such marketing materials or any disclosure therein,

- (ii) makes any representation or warranty with respect to such financial statements, marketing materials or any data, information, statement, representation or conclusion contained therein, or
- (iii) shall have any liability or obligation related to such financial statements, marketing materials or any disclosure therein.

ARTICLE 6

CONDITIONS TO CLOSING

6.1 Conditions to Obligations of All Parties.

The obligations of each party to consummate the transactions contemplated by this Agreement shall be subject to no Governmental Authority having enacted, issued, promulgated, enforced or entered any Governmental Order which is in effect and has the effect of making the transactions contemplated by this Agreement illegal, otherwise restraining or prohibiting consummation of such transactions or causing any of the transactions contemplated hereunder to be rescinded following the completion thereof.

6.2 Conditions to Obligations of the Purchaser.

The obligations of the Purchaser to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or the Purchaser's waiver, at or before the Closing, of each of the following conditions:

- (a) Other than the representations and warranties of the Vendor set out in Sections 3.1, 3.2, 3.3, 3.4, 3.7 and 3.25, the representations and warranties of the Vendor set out in this Agreement, the other Transaction Documents and any certificate or other writing delivered pursuant hereto shall be true and correct in all respects (in the case of any representation or warranty qualified by materiality or Material Adverse Effect) or in all material respects (in the case of any representation or warranty not qualified by materiality or Material Adverse Effect) on and as of the date hereof and on and as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects). The representations and warranties of the Vendor set out in Sections 3.1, 3.2, 3.3, 3.4, 3.7 and 3.25 shall be true and correct in all respects on and as of the date hereof and on and as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects).
- (b) The Vendor shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement and each of the other Transaction Documents to be performed or complied with by it before or on the Closing Date.
- (c) No Action shall have been commenced against the Purchaser, the Vendor the L8 Subsidiaries that would prevent the Closing. No injunction or restraining order shall have

been issued by any Governmental Authority and be in effect, which restrains or prohibits any transaction contemplated hereby.

- (d) All approvals, consents and waivers that are listed in Section 3.6 of the Disclosure Schedule shall have been received, and executed counterparts thereof shall have been delivered to the Purchaser, at or before the Closing.
- (e) From the date of this Agreement, there shall not have occurred any Material Adverse Effect, nor shall any event or events have occurred that, individually or in the aggregate, with or without the lapse of time, could reasonably be expected to result in a Material Adverse Effect.
- (f) The Transaction Documents (other than this Agreement) shall have been executed and delivered by the parties thereto and true and complete copies thereof shall have been delivered to the Purchaser.
- (g) The Purchaser shall have received a certificate, dated the Closing Date and signed by a duly authorized officer of the Vendor, that (i) each of the conditions set forth in Section 6.2(a) and Section 6.2(b) has been satisfied and (ii) attached thereto are true and complete copies of all resolutions adopted by the shareholder(s) and the board of directors of the Vendor authorizing the execution, delivery and performance of this Agreement and the other Transaction Documents and the consummation of the transactions contemplated hereby and thereby, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby and thereby.
- (h) The Purchaser shall have received a certificate, dated the Closing Date and signed by a duly authorized officer of the Vendor, certifying the names and signatures of the officers of the Vendor authorized to sign this Agreement, the Transaction Documents and the other documents to be delivered hereunder and thereunder.
- (i) The Purchaser shall have received resignations of the directors and officers of the L8 Subsidiaries under Section 5.4, if applicable.
- (j) The Vendor shall have delivered all financial statements of the L8 Subsidiaries required to be included in the Listing Statement and the Prospectus pursuant to applicable Securities Laws and the policies of the CSE.
- (k) The Purchaser shall have received the conditional approval of the CSE for the Transaction and the listing of the Common Shares on the CSE.
- (l) The Vendor shall have delivered to the Purchaser a certificate of status (or its equivalent) for the L8 Subsidiaries.
- (m) The Vendor shall have delivered, or caused to be delivered, to the Purchaser share certificates representing the Vendor Shares, free and clear of Encumbrances, duly endorsed in blank or accompanied by forms of share transfers or other instruments of transfer duly executed in blank.

- (n) The Vendor shall have delivered to the Purchaser such other documents or instruments as the Purchaser reasonably requests and are reasonably necessary to consummate the transactions contemplated by this Agreement.

6.3 Conditions to Obligations of the Vendor.

The obligations of the Vendor to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or the Vendor's waiver, at or before the Closing, of each of the following conditions:

- (a) Other than the representations and warranties of the Purchaser set out in Section 4.1, the representations and warranties of the Purchaser set out in this Agreement, the other Transaction Documents and any certificate or other writing delivered pursuant hereto shall be true and correct in all respects (in the case of any representation or warranty qualified by materiality or Material Adverse Effect) or in all material respects (in the case of any representation or warranty not qualified by materiality or Material Adverse Effect) on and as of the date hereof and on and as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects). The representations and warranties of the Purchaser set out in Section 4.1 shall be true and correct in all respects on and as of the date hereof and on and as of the Closing Date with the same effect as though made at and as of such date.
- (b) The Purchaser shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement and each of the other Transaction Documents to be performed or complied with by it before or on the Closing Date; provided that, with respect to agreements, covenants and conditions that are qualified by materiality, the Purchaser shall have performed such agreements, covenants and conditions, as so qualified, in all respects.
- (c) No action shall have been commenced against the Purchaser, Vendor or the L8 Subsidiaries that would prevent the Closing.
- (d) No injunction or restraining order shall have been issued by any Governmental Authority, and be in effect, which restrains or prohibits any material transaction contemplated hereby.
- (e) The Transaction Documents (other than this Agreement) shall have been executed and delivered by the parties thereto and true and complete copies thereof shall have been delivered to the Vendor.
- (f) The Payment Shares will have been approved for issuance by the directors of the Purchaser and the Payment Shares, when issued: (i) will be issued as fully paid and non-assessable shares in the capital of the Purchaser, free and clear of any and all encumbrances, liens, charges and demands of whatsoever nature; and (ii) will represent not less than 50% of the issued and outstanding Common Shares of the Purchaser (on a fully-diluted basis, excluding the Common Shares to be issued upon the automatic conversion of the Special Warrants).

- (g) The Purchaser shall have taken all necessary steps to have its name changed to such name as the parties hereto may determine and which is acceptable to the CSE and the registrar of the companies of British Columbia.
- (h) The Purchaser shall have delivered all financial statements of the L8 Subsidiaries required to be included in the Listing Statement and the Prospectus pursuant to applicable Securities Laws and the policies of the CSE.
- (i) The Private Placement shall close on or before the Closing and post-closing of the Private Placement (and subsequent to the conversion of the Special Warrants) the Purchaser shall have a sufficient number of shareholders each holding a sufficient number of Common Shares to satisfy the distribution requirements of the CSE.
- (j) (i) The Common Shares issuable upon conversion of the Subscription Receipts shall be subject to the SR Common Shares Restrictions and (ii) all other Common Shares, excluding the the Common Shares to be issued upon conversion of the Distribution Special Warrants, shall be subject to the Common Shares Restrictions.
- (k) The Vendor shall have received a certificate, dated the Closing Date and signed by a duly authorized officer of the Purchaser, that (i) each of the conditions set forth in Section 6.3(a) and Section 6.3(b) has been satisfied and (ii) attached thereto are true and complete copies of all resolutions adopted by the board of directors of the Purchaser authorizing the execution, delivery and performance of this Agreement and the other Transaction Documents and the consummation of the transactions contemplated hereby and thereby, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby and thereby.
- (l) The Vendor shall have received a certificate, dated the Closing Date and signed by a duly authorized officer of the Purchaser, certifying the names and signatures of the officers of the Purchaser authorized to sign this Agreement, the Transaction Documents and the other documents to be delivered hereunder and thereunder.
- (m) The Vendor shall have received duly executed resignations (including a statement certifying that said director does not have any claim in any respect against the Purchaser) and duly executed resolutions of the Purchaser's Board of Directors (and if applicable, the shareholders of the Purchaser) appointing the Vendor Nominees such that, on the Closing Date, the Purchaser's Board of Directors will be comprised of no more than five (5) directors, two of whom will be nominees of the Purchaser and three of whom will be nominees of the Vendor.
- (n) The Purchaser shall have received the conditional approval of the CSE for the Transaction and the listing of the Common Shares on the CSE.
- (o) The Purchaser shall have delivered to the Vendor such other documents or instruments as the Vendor reasonably request and are reasonably necessary to consummate the transactions contemplated by this Agreement.

ARTICLE 7

EXCLUSIVITY AND ACCESS

7.1 Obligations of the Vendor

Prior to the Outside Date, or the earlier termination of this Agreement, the Vendor shall not, directly or indirectly, negotiate or deal with any party other than with the Purchaser relating to an Alternative Transaction involving the Vendor or the sale or disposition of any part of the outstanding the Vendor's common shares or assets of the Vendor, or solicit enquiries or provide information with respect to same. Nothing contained in this Agreement will prohibit, prevent or restrict the Vendor from furnishing or providing information in respect of or otherwise responding to or engaging in discussions or negotiations in respect of, an unsolicited Alternative Transaction not resulting from a breach of this Section 7.1, or the directors of the Vendor, in the fulfilment of their fiduciary duties, from supporting or facilitating any such unsolicited Alternative Transaction, or the Vendor from completing any such Alternative Transaction, or entering into a definitive and binding agreement to effect such an Alternative Transaction, if directors of the Vendor determine in good faith, after consultation, to the extent considered appropriate by the directors, with its financial and legal advisors, that such unsolicited Alternative Transaction constitutes, or could reasonably be expected to lead to or result in, a transaction that would, if consummated in accordance with its terms, be more favourable to the Vendor than the Transaction provided, however, that prior to taking such action, the directors of the Vendor shall have concluded, after considering applicable laws, and receiving advice of outside counsel, that such action would be a proper exercise of its fiduciary duties, or is otherwise required, under applicable laws, that it is appropriate that the directors take such action in order to properly discharge their fiduciary duties or that such action is otherwise required under applicable laws. In the event the Vendor receive any form of offer or inquiry, the Vendor shall forthwith (in any event within one Business Day following receipt) notify the Purchaser of such offer or inquiry and provide the Purchaser with such details as it may request.

7.2 Obligations of the Purchaser

Prior to the Outside Date, or the earlier termination of this Agreement, the Purchaser shall not, directly or indirectly, negotiate or deal with any party other than the Vendor relating to an Alternative Transaction involving the Purchaser, or solicit enquiries or provide information with respect to same. Nothing contained in this Agreement will prohibit, prevent or restrict the Purchaser from furnishing or providing information in respect of or otherwise responding to or engaging in discussions or negotiations in respect of, an unsolicited Alternative Transaction not resulting from a breach of this Section 7.2, or the directors of the Purchaser, in the fulfilment of their fiduciary duties, from supporting or facilitating any such unsolicited Alternative Transaction, or the Purchaser from completing any such Alternative Transaction, or entering into a definitive and binding agreement to effect such an Alternative Transaction, if directors of the Purchaser determine in good faith, after consultation, to the extent considered appropriate by the directors, with its financial and legal advisors, that such unsolicited Alternative Transaction constitutes, or could reasonably be expected to lead to or result in, a transaction that would, if consummated in accordance with its terms, be more favourable to the Purchaser than the Transaction provided, however, that prior to taking such action, the directors of the Purchaser shall have concluded, after considering applicable laws, and receiving advice of outside counsel, that such action would be a proper exercise of its fiduciary duties, or is otherwise required, under applicable laws, that it is appropriate that the directors take such action in order to properly discharge their fiduciary duties or that such action is otherwise required under applicable laws. In the event the Purchaser receives any form of offer or inquiry, the

Purchaser shall forthwith (in any event within one Business Day following receipt) notify the Vendor of such offer or inquiry and provide the Vendor with such details as it may request.

ARTICLE 8

TERMINATION

8.1 Termination.

This Agreement may be terminated at any time before the Closing:

- (a) By the mutual written consent of the Vendor and the Purchaser.
- (b) By the Purchaser by written notice to the Vendor if:
 - (i) the Purchaser is not then in material breach of any provision of this Agreement and there has been a breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by the Vendor under this Agreement that would give rise to the failure of any of the conditions specified in Article 6, and such breach, inaccuracy or failure has not been cured by the Vendor within 10 Business Days of the Vendor' receipt of written notice of such breach from the Purchaser; or
 - (ii) any of the conditions set forth in Section 6.1 or Section 6.2 shall not have been, or if it becomes apparent that any of such conditions will not be, fulfilled by the Outside Date, unless such failure shall be due to the failure of the Purchaser to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it before the Closing Date.
- (c) By the Vendor by written notice to the Purchaser if:
 - (i) The Vendor are not then in material breach of any provision of this Agreement and there has been a breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by the Purchaser under this Agreement that would give rise to the failure of any of the conditions specified in Article 6, and such breach, inaccuracy or failure has not been cured by the Purchaser within 10 Business Days of the Purchaser's receipt of written notice of such breach from the Vendor; or
 - (ii) any of the conditions set forth in Section 6.1 or Section 6.3 shall not have been, or if it becomes apparent that any of such conditions will not be, fulfilled by the Outside Date, unless such failure shall be due to the failure of the Vendor to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it before the Closing Date.
- (d) By the Purchaser or the Vendor if:
 - (i) if the other party completes an Alternative Transaction or enters into a definitive and binding agreement to effect an Alternative Transaction;

- (ii) there shall be any Law that makes consummation of the transactions contemplated by this Agreement illegal or otherwise prohibited; or
- (iii) any Governmental Authority shall have issued a Governmental Order restraining or enjoining the transactions contemplated by this Agreement, and such Governmental Order shall have become final and non-appealable.

8.2 Effect of Termination.

In the event of the termination of this Agreement in accordance with this Article 8, this Agreement shall forthwith have no further force or effect and there shall be no liability on the part of any party hereto except:

- (a) as set forth in Section 5.5, this Article 8 and Article 9; and
- (b) that nothing herein shall relieve any party hereto from liability for any wilful breach of any provision hereof.

ARTICLE 9 **MISCELLANEOUS**

9.1 Expenses.

Except as otherwise expressly provided herein, all costs and expenses, including fees, disbursements and charges of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses, whether or not the Closing shall have occurred.

9.2 Notices.

All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by email of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient; or (d) on the 3rd day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 9.2):

If to the Vendor: Legacy Eight Ltd.
Email: stevobudin@gmail.com
Attention: Steve Budin

with a copy to: Segev LLP
The King George Building

6th Floor, 905 W Pender St,
Vancouver, British Columbia V6C 1L6

Email: ron@segev.ca

Attention: Ron Segev

If to the Purchaser: 1242455 B.C. Ltd.
1570 – 505 Burrard Street
Vancouver, BC
V7X 1M5

Email: Karan Thakur, Director

Attention: kthakur@K2capital.ca

with a copy to: McMillan LLP
1500 Royal Centre
1055 West Georgia Street
Vancouver, British Columbia V6E 4N7

Email: jeff.wust@mcmillan.ca

Attention: Jeff Wust

9.3 Interpretation.

For purposes of this Agreement: (a) the words “**include**”, “**includes**” and “**including**” shall be deemed to be followed by the words “**without limitation**”; (b) the word “**or**” is not exclusive; and (c) the words “**this Agreement**”, “**herein**”, “**hereof**”, “**hereby**”, “**hereto**” and “**hereunder**” refer to this Agreement as a whole. Unless the context otherwise requires, references herein: (x) to Articles, Sections, Disclosure Schedules and Exhibits mean the Articles and Sections of, and Disclosure Schedules and Exhibits attached to, this Agreement; (y) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof; and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The Disclosure Schedules and Exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.

9.4 Headings.

The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

9.5 Severability.

If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

9.6 Entire Agreement.

This Agreement and the other Transaction Documents constitute the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein and therein and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter, including the Letter of Intent. There are no representations, warranties, covenants or conditions with respect to the subject matter hereof except as contained in this Agreement and any document delivered pursuant to this Agreement. In the event of any inconsistency between the statements in the body of this Agreement and those in the other Transaction Documents, the Exhibits and Disclosure Schedules (other than an exception expressly set forth as such in the Disclosure Schedules), the statements in the body of this Agreement will control.

9.7 Successors and Assigns.

This Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed. No assignment shall relieve the assigning party of any of its obligations hereunder.

9.8 No Third-Party Beneficiaries.

This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under, or by reason of, this Agreement.

9.9 Amendment and Modification; Waiver.

This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

9.10 Governing Law; Forum Selection; Choice of Language

- (a) This Agreement 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.

- (b) Any Action arising out of or based upon this Agreement or the transactions contemplated hereby may be brought in the courts of the Province of British Columbia, and each party irrevocably submits and agrees to attorn to the exclusive jurisdiction of that court in any such Action. The parties irrevocably and unconditionally waive any objection to the venue of any Action or proceeding in that court and irrevocably waive and agree not to plead or claim in that court that such Action has been brought in an inconvenient forum.

9.11 Specific Performance.

The parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity.

9.12 Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[Remainder of page intentionally left blank; signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

1242455 B.C. LTD.

Per: "Karan Thakur "

Name: Karan Thakur

Title: Director

I have authority to bind the Purchaser

LEGACY EIGHT LTD.

Per: "Adam Arviv"

Name: Adam Arviv

Title: Director

I have authority to bind the Vendor