

## AGENCY AGREEMENT

May 7, 2021

**1242455 B.C. Ltd.**

Suite 1570 — 505 Burrard Street  
Vancouver, British Columbia V7X 1M5

**Legacy Eight Ltd.**

c/o 6<sup>th</sup> Floor, 905 West Pender Street  
Vancouver, British Columbia V6C 1L6

**Attention:** Karan Thakur

**Attention:** Ron Segev

Dear Sirs,

Research Capital Corporation (the "**Lead Agent**"), as lead agent and sole bookrunner, and Richardson Wealth Limited (together with the Lead Agent, the "**Agents**"), understand that 1242455 B.C. Ltd. ("**124 BC**") proposes to issue and sell up to 20,000,000 transferable Subscription Receipts of 124 BC ("**Subscription Receipts**") at a price of \$0.50 per Subscription Receipt (the "**Offering Price**") for maximum aggregate gross proceeds of up to \$10,000,000 (the "**Offering**").

Upon and subject to the terms and conditions set forth herein, 124 BC hereby appoints the Agents, and the Agents hereby agree, to act as agents to 124 BC to effect the Offering on a best efforts private placement basis to Purchasers (as defined herein) in the Selling Jurisdictions (as defined herein), pursuant to the terms and conditions hereof.

The parties acknowledge that the Offering Securities (as defined herein) have not been and will not be registered under the U.S. Securities Act or any state securities laws, and may not be offered or sold in the United States or to, or for the benefit or account of, any U.S. Person (as defined herein) or Person in the United States, except pursuant to exemptions from the registration requirements of the U.S. Securities Act and the applicable laws of any state of the United States, in the manner specified in this Agreement and pursuant to the representations, warranties, acknowledgments, agreements and covenants of 124 BC and the Agents contained in Schedule A hereto. All actions to be undertaken by the Agents in the United States in connection with the matters contemplated herein will be undertaken through one or more U.S. Affiliates (as defined herein).

On a Closing Date (as hereinafter defined) the gross proceeds of the Offering, less all reasonable fees and expenses incurred by the Agents up to the Closing Expense Cap (as defined herein) in accordance with Section 10 hereof (such aggregate net proceeds, the "**Escrowed Proceeds**") will be delivered by the Agents to and held by the Subscription Receipt Agent (as hereinafter defined) and invested in one or more interest-bearing accounts (the Escrowed Proceeds, together with all interest and other income earned thereon, are referred to herein as the "**Escrowed Funds**") pursuant to the terms of the Subscription Receipt Agreement (as defined herein).

Pursuant to and in accordance with the Subscription Receipt Agreement, upon the satisfaction of the Escrow Release Conditions (as hereinafter defined) prior to the Escrow Release Deadline (as hereinafter defined), then on the Escrow Release Date (as hereinafter defined), each one Subscription Receipt shall be automatically converted (for no further consideration and with no further action on the part of the holder thereof) into one 124 BC Share (as defined herein) (each a "**SR Share**").

Upon the satisfaction of the following conditions (collectively, the "**Escrow Release Conditions**"), the Escrowed Funds shall be released from escrow by the Subscription Receipt Agent for the account of 124 BC, less: (i) an amount equal to the Commission; (ii) the Corporate Finance Fee; and (iii) the amount of any previously unpaid reasonable fees and expenses incurred by the Agents up to a maximum of \$25,000 above the Closing Expense Cap in accordance with Section 10 hereof; which aggregate amount shall be released from escrow by the Subscription Receipt Agent for the account of the Agents:

- (a) 124 BC having received a receipt for a final prospectus qualifying the distribution of the SR Shares issuable upon conversion of the Subscription Receipts in Canada;
- (b) 124 BC having received conditional acceptance for the listing of the 124 BC Shares on the Canadian Securities Exchange or such other national securities exchange as may be approved by 124 BC and the Agents;
- (c) 124 BC having satisfied all conditions in this Agreement and not committed any material breach of covenants in this Agreement; and
- (d) 124 BC and the Lead Agent (on behalf of the Agents) having delivered a joint notice (the "**Release Notice**") to the Subscription Receipt Agent in accordance with the Subscription Receipt Agreement,

The date on which the Escrow Release Conditions are satisfied is hereinafter referred to as the "**Escrow Release Date**" which, for greater certainty, shall be no later than 5:00 p.m. (Vancouver time) December 31, 2021 (the "**Escrow Release Deadline**") except as may be extended in accordance with the terms of the Subscription Receipt Agreement.

As a condition precedent to the execution by the Lead Agent of the Release Notice, the Chief Executive Officer and Chief Financial Officer of 124 BC (or such other officers as may be acceptable to the Lead Agent, acting reasonably) shall certify to the Agents and the Subscription Receipt Agent that the Escrow Release Conditions (other than that set out in (c) and (d) above) have been satisfied or waived in accordance with the provisions of the Subscription Receipt Agreement.

If: (i) the Escrow Release Conditions are not satisfied on or before the Escrow Release Deadline: or (ii) prior to the Escrow Deadline 124 BC advises the Agents or announces to the public that it does not intend to satisfy the Escrow Release Conditions, the Escrowed Proceeds (plus accrued interest earned thereon) shall be returned to the holders of the Subscription Receipts on a *pro rata* basis and the Subscription Receipts will be cancelled without any further action on the part of the holders. To the extent that the Escrowed Proceeds (plus accrued interest) are not sufficient to refund the aggregate Offering Price paid by the holders of the Subscription Receipts, 124 BC hereby agrees that it is responsible and liable to contribute such amounts as are necessary to satisfy any shortfall (the "**Shortfall Amount**").

The Subscription Receipts will be duly and validly created and issued pursuant to, and governed by, a subscription receipt agreement (the "**Subscription Receipt Agreement**") to be entered into on the Closing Date between 124 BC, the Subscription Receipt Agent and the Lead Agent. The description of the Subscription Receipts herein is a summary only and is subject to the specific attributes and detailed provisions of the Subscription Receipts to be set forth in the Subscription Receipt Agreement. In the case of any inconsistency between the description of the Subscription Receipts in this Agreement and the terms and conditions as set forth in the Subscription Receipt Agreement, the provisions of the Subscription Receipt Agreement will govern.

The Subscription Receipts are being issued in connection with the proposed Acquisition (as defined herein) by 124 BC of the Legacy Subsidiaries (as defined herein) pursuant to the Definitive Agreement (as defined herein). Prior to completion of the Acquisition, and subject to the receipt of all necessary approvals, it is contemplated that 124 BC will complete the Name Change (as defined herein).

124 BC also hereby grants the Agents the option (the "**Over-Allotment Option**") to solicit and arrange for the purchase of up to an additional 3,000,000 Subscription Receipts (the "**Additional Subscription Receipts**") at the Offering Price, exercisable in whole or in part at any time up to 48 hours before the Closing Time, by notice in writing from the Lead Agent, which notice will specify the number of Additional Subscription Receipts to be purchased. Unless otherwise required by the context, references to (a) the "Offering" will include the offering of any Additional Subscription Receipts; (b) the "SR Shares" will include any SR Shares issuable upon exercise of the Additional Subscription Receipts; and (c) the "Compensation

Options", and "Agent Shares" (as such terms are defined herein) will include any such securities issued or issuable upon exercise of the Over-Allotment Option.

In consideration of the services to be rendered by the Agents in connection with the sale and purchase of Subscription Receipts under the Offering and all other services related thereto, 124 BC will pay (i) to the Agents the Commission and issue to the Agents the Compensation Options (as defined herein) in accordance with the provisions of Section 2.7; and (ii) to the Lead Agent the Corporate Finance Fee.

124 BC acknowledges that the Agents will be under no obligation to purchase any Subscription Receipts. The Agents will be entitled in connection with the Offering to appoint, at their sole expense, other registered dealers acceptable to 124 BC (the "**Selling Firms**") as agents to assist in the Offering and the Agents may determine the remuneration payable to such Selling Firms, such remuneration to be the sole responsibility of the Agents.

The Offering is conditional upon and subject to the additional terms and conditions set forth below.

## 1. Interpretation.

### 1.1 Definitions.

In this Agreement and the Schedules hereto, in addition to the terms defined above, unless otherwise indicated or unless the context otherwise requires, the following terms will have the following meanings:

"**124 BC**" has the meaning ascribed to such term above;

"**124 BC Disclosure Documents**" means all documents regarding 124 BC (including any predecessors) that has been provided to the Agents and their counsel in connection with the Offering, or that is filed on SEDAR on or prior to the Escrow Release Date, including the Term Sheet and the Prospectus;

"**124 BC Share**" means a common share without par value in the capital of 124 BC;

"**Acquisition**" means the acquisition by 124 BC, directly or indirectly, of all of the issued and outstanding common shares of the Legacy Subsidiaries pursuant to the Definitive Agreement;

"**Additional Subscription Receipts**" has the meaning ascribed to such term above;

"**affiliate**" and "**associate**" have the respective meanings ascribed to such terms in the *Securities Act* (British Columbia);

"**Agents**" has the meaning ascribed to such term above;

"**Agent Shares**" has the meaning ascribed to such term in Section 2.7(b);

"**Agreement**" means this agreement and includes the schedules hereto, as modified, amended and/or supplemented from time to time;

"**Ancillary Documents**" means all agreements (including the Subscription Agreements and Subscription Receipt Agreement), certificates (including global certificates representing the Offering Securities, as applicable, in the context used, and the Compensation Option Certificates), officer's certificates of the Companies, notices and other documents executed and delivered, or to be executed and delivered, by the Companies hereunder;

"**Anti-Money Laundering Laws**" has the meaning ascribed to such term in Section 7(pp);

"**Applicable Laws**" means all laws, statutes, codes, ordinances, decrees, rules, regulations, by-laws, written policies, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments,

orders, decisions, rulings or awards, including general principles of common and civil law, and conditions of any grant of approval, permission, authority or license of any court, governmental entity or statutory body or regulatory body (including the CSE), and includes, without limitation, Securities Laws;

**"Books and Records"** means books, ledgers, files, minute books, lists, reports, plans, logs, deeds, surveys, correspondence, operating records, Tax Returns and other data and information, including all data and information stored on computer-related or other electronic media, maintained with respect to the applicable Company;

**"Business Day"** means a day which is not a Saturday, a Sunday or a statutory or civic holiday, or a day on which commercial banks are not open for business, in Vancouver, British Columbia;

**"CDS"** means CDS Clearing and Depository Services Inc.;

**"Claims"** has the meaning ascribed to such term in Section 14(a);

**"Closing"** means each completion of the issue and sale by 124 BC, and the purchase by the Purchasers, of the Subscription Receipts on the Closing Date pursuant to this Agreement and the Subscription Agreements;

**"Closing Date"** means a date upon which a Closing occurs;

**"Closing Time"** means 9:00 a.m. (Vancouver time) on the Closing Date or such other time as 124 BC and the Agents may agree;

**"Commission"** has the meaning ascribed to such term in Section 2.7(a);

**"Companies"** means 124 BC and Legacy and **"Company"** means either one of them;

**"Compensation Options"** has the meaning ascribed to such term in Section 2.7(b);

**"Corporate Finance Fee"** has the meaning ascribed to such term in Section 2.7(a).;

**"CSE"** means the Canadian Securities Exchange;

**"CSE Listing"** means the listing of the 124 BC Shares on the CSE following the completion of the Acquisition;

**"CSE Listing Approval"** means the conditional approval of the CSE for the CSE Listing;

**"Definitive Agreement"** means the share purchase agreement effective as of February 24, 2021 between 124 BC and Legacy pursuant to which, among other things, the Acquisition will be completed and includes all agreements, documents and instruments deliverable in connection therewith;

**"Disclosure Documents"** means, collectively, the 124 BC Disclosure Documents and the Legacy Disclosure Documents;

**"distribution"** means distribution or distribution to the public, as the case may be, as such terms are defined in Securities Laws;

**"Final Prospectus"** means the final prospectus of 124 BC to be prepared by 124 BC and certified by 124 BC and the Agents qualifying the distribution of the Qualified Securities in the Qualifying Jurisdictions;

**"Governmental Authority"** means any governmental authority and includes, without limitation, any national or federal government, province, state, municipality or other political subdivision of any of the foregoing, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or

pertaining to government and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing;

**"IFRS"** means International Financial Reporting Standards, as issued by the International Accounting Standards Board and as adopted by the Chartered Professional Accountants of Canada in Part I of The Chartered Professional Accountants Canada Handbook – Accounting, as amended from time to time;

**"including"** means "including without limitation";

**"Indemnified Parties"** has the meanings ascribed to such term in Section 14(a);

**"Intellectual Property"** has the meaning ascribed to such term in Section 7(kk);

**"Investor Presentation"** means the investor presentation of Legacy dated March 2021;

**"Legacy"** means Legacy Eight Ltd.;

**"Legacy Assets"** has the meaning ascribed to such term in Section 8(cc)(i);

**"Legacy Disclosure Documents"** means all documents regarding Legacy (including any subsidiaries and predecessors of any such entity) that has been provided to the Agents and their counsel in connection with the Offering, or that is filed on SEDAR on or prior to the Escrow Release Date, and includes the Investor Presentation;

**"Legacy Material Subsidiaries"** means Bulleg Eight Limited, Phoenix Digital Services Ltd, Legacy Eight Curacao NV, and Azteca Messenger Services S.A. de C.V.;

**"Legacy Non-Material Subsidiaries"** means Legacy Eight Malta Ltd., R.S. Real World Services (Cyprus), Ledonford Ltd. (Cyprus) and West Ocean SA (Uruguay);

**"Legacy Subsidiaries"** means the Legacy Material Subsidiaries and the Legacy Non-Material Subsidiaries;

**"Lien"** means any mortgage, charge, pledge, encumbrance, hypothec, security interest, prior claim or lien (statutory or otherwise), in each case, whether contingent or absolute;

**"Losses"** has the meaning ascribed to such term in Section 14(a);

**"Material Adverse Effect"** means any change, fact, event, circumstance or state of being which could reasonably be expected to have a material and adverse effect (actual or anticipated, whether financial or otherwise) on the business, affairs, operations, properties, assets, liabilities (contingent or otherwise), capital, results of operations or condition (financial or otherwise) of such entity;

**"misrepresentation"**, **"material fact"** and **"material change"** have the respective meanings ascribed to them in the *Securities Act* (British Columbia);

**"Name Change"** means the expected name change of 124 BC to such name as may be accepted by the relevant regulatory authorities and approved by the board of directors of 124 BC;

**"NI 45-106"** means National Instrument 45-106 – *Prospectus Exemptions*;

**"notice"** has the meaning ascribed to such term in Section 15;

**"NP 11-202"** means National Policy 11-202 – *Process for Prospectus Reviews in Multiple Jurisdictions*;

**"Offering"** has the meaning ascribed to such term above;

**"Offering Documents"** means, collectively, this Agreement, the Subscription Agreements, the Subscription Receipt Agreement, the Compensation Option Certificates, the Term Sheet, the Investor Presentation and the Prospectus;

**"Offering Price"** has the meaning ascribed to such term above;

**"Offering Securities"** means, collectively, the Subscription Receipts, SR Shares, Compensation Options and Agent Shares, includes any of the foregoing issuable in connection with any exercise of the Over-Allotment Option;

**"Over-Allotment Option"** has the meaning ascribed to such term above;

**"Person"** includes an individual, a firm, a corporation, a body corporate, a syndicate, a partnership, a trust, an association, an unincorporated organization, a joint venture, an investment club, a government or an agency or political subdivision thereof and every other form of legal or business entity of any nature or kind whatsoever;

**"Personally Identifiable Information"** means any information that alone or in combination with other information held a Person or entity can be used to specifically identify a Person including but not limited to a natural Person's name, street address, telephone number, e-mail address, photograph, social insurance number, driver's license number, passport number, credit or debit card number or customer or financial account number or any similar information that is treated as "Personally Identifiable Information" under Applicable Laws;

**"Preliminary Prospectus"** means the preliminary prospectus of 124 BC to be prepared by 124 BC and certified by 124 BC and the Agents relating to the distribution of the Qualified Securities in the Qualifying Jurisdictions;

**"Prospectus"** means the Preliminary Prospectus, Final Prospectus and any Supplementary Material, collectively or individually, as required by the context;

**"Purchasers"** means the Persons who are purchasers in the Selling Jurisdictions who, as purchasers or beneficial purchasers acquire Subscription Receipts by duly completing, executing and delivering the Subscription Documents;

**"Qualified Securities"** means the SR Shares issuable upon conversion of the Subscription Receipts, including any of the foregoing issuable in connection with any exercise of the Over-Allotment Option;

**"Qualifying Jurisdictions"** means British Columbia, Alberta, Manitoba and Ontario;

**"Regulation S"** means Regulation S as promulgated by the U.S. Securities and Exchange Commission under the U.S. Securities Act;

**"Securities Commissions"** means the applicable securities commissions or securities regulatory authorities in the Qualifying Jurisdictions;

**"Securities Laws"** means all applicable securities laws in each of the Selling Jurisdictions and the respective rules and regulations made thereunder, together with applicable published policy statements, instruments, orders and rulings of the Securities Regulators in the Selling Jurisdictions and the rules, policies and requirements of the CSE;

**"Securities Regulator"** means, in respect of any jurisdiction, the securities regulator or other securities regulatory authority of that jurisdiction;

**"SEDAR"** means the System for Electronic Document Analysis and retrieval established by National Instrument 13-101 – *System for Electronic Document Analysis and Retrieval (SEDAR)*;

**"Selling Firm"** has the meaning ascribed to such term above;

**"Selling Jurisdictions"** means, collectively, (a) the Qualifying Jurisdictions, (b) the United States, and (c) such other jurisdictions outside of Canada and the United States as mutually agreed between 124 BC and the Agents, provided that such sales are completed in such a manner so as not to require the filing of a prospectus, registration statement or offering memorandum or similar document and do not give rise to any disclosure obligations or submission to the jurisdiction in such jurisdictions on the part of 124 BC;

**"Subscription Receipt Agent"** means Olympia Trust Company, as subscription receipt agent pursuant to the Subscription Receipt Agreement;

**"Subscription Receipt Agreement"** has the meaning ascribed to such term above;

**"Subscription Receipts"** has the meaning ascribed to such term above;

**"Subscription Agreements"** means the subscription agreements, in the form agreed upon by 124 BC and the Agents, pursuant to which Purchasers agree to subscribe for and purchase Subscription Receipts;

**"Subscription Documents"** means, with respect to a Purchaser, a Subscription Agreement duly completed by the Purchaser together with all applicable duly completed schedules to the Subscription Agreement in the forms attached thereto and any other forms or documents required under Securities Laws or any other Applicable Laws;

**"subsidiary"** has the meaning ascribed to such term in the *Securities Act* (British Columbia);

**"Supplementary Material"** means, collectively, any amendment to or amendment and restatement of, the Preliminary Prospectus and/or the Final Prospectus, and any further amendment, amendment and restatement or supplemental prospectus thereto or ancillary materials that may be filed by or on behalf of 124 BC under the Securities Laws in Canada relating to the qualification of the distribution of the Qualified Securities;

**"SR Share"** has the meaning ascribed to such term above;

**"Tax Returns"** means any return, report, declaration, designation, election, undertaking, waiver, notice, filing, information return, statement, form, certificate or any other document or materials relating to Taxes, including any related or supporting information with respect to any of the foregoing, filed or to be filed with any Governmental Authority in connection with the determination, assessment, collection or administration of Taxes;

**"Taxes"** has the meaning ascribed to such term in Section 8(w);

**"Term Sheet"** means the indicative terms and conditions attached as Schedule D to the Subscription Agreements;

**"Transaction Documents"** means, collectively, the Offering Documents and the Definitive Agreement;

**"Underlying Securities"** means, collectively, the SR Shares and the Agent Shares, including any of the foregoing issuable in connection with any exercise of the Over-Allotment Option;

**"United States"** or **"U.S."** means, as the context requires, the United States of America, its territories and possessions, any state of the United States, and the District of Columbia;

**"U.S. Affiliate"** means the United States registered broker-dealer affiliate of the Agent;

**"U.S. Person"** has the meaning ascribed to such term in Rule 902(k) of Regulation S; and

**"U.S. Securities Act"** means the United States Securities Act of 1933, as amended.

**1.2 Knowledge.** Where any representation or warranty contained in this Agreement or any Ancillary Document is expressly qualified by reference to the "knowledge" of 124 BC or Legacy, or where any other reference is made herein or in any Ancillary Document to the knowledge of 124 BC or Legacy, it will be deemed to refer to the actual knowledge of the President of 124 BC or the Chief Executive Officer of Legacy, as applicable, after having made reasonable enquiry of appropriate and relevant Persons.

**1.3 Business Days.** Where any action or step is to be taken or completed on or by a specified date, and such date is not a Business Day in the applicable jurisdiction, then such action or step may be taken or completed on the next following Business Day.

**1.4 Plural and Gender.** Whenever used in this Agreement, words importing the singular number only will include the plural and vice versa and words importing the masculine gender will include the feminine gender and neuter.

**1.5 Currency.**

Unless otherwise specified, references to "\$" are to the lawful currency of Canada.

## **2. Terms and Conditions.**

**2.1 Offering.** Upon and subject to the terms and conditions set forth herein, the Agents hereby agree to act, and upon acceptance hereof, 124 BC hereby appoints the Agents, as 124 BC's exclusive agents, to offer for sale by way of private placement on a best efforts basis, without underwriter liability, the Subscription Receipts to be issued and sold pursuant to the Offering and the Agents agree to arrange for purchasers of the Subscription Receipts in the Selling Jurisdictions. Notwithstanding anything to the contrary contained herein or any oral representations or assurances previously or subsequently made by the parties hereto, this Agreement does not constitute a commitment by, or legally binding obligation of, the Agents or any of their respective affiliates to act as underwriters, initial purchasers, arrangers and/or placement agents in connection with any offering of securities of 124 BC or to provide or arrange any financing, other than the appointment as agents in connection with the Offering in accordance with the prior sentence and otherwise on the terms set forth herein.

**2.2 Legal Compliance.** 124 BC undertakes to file or cause to be filed, within the time periods stipulated by Applicable Laws, all forms, undertakings and other documents required to be filed by 124 BC under Applicable Laws in connection with the offer and sale of the Subscription Receipts in order that the distribution of the Offering Securities may lawfully occur without the necessity of filing a prospectus, registration statement, similar document or offering document with any Securities Regulator in any Selling Jurisdiction. 124 BC further agrees to comply with Securities Laws in connection with the distribution of the Offering Securities.

### **2.3 Solicitation of Orders.**

Neither the Companies nor the Agents will: (i) provide to prospective purchasers of the Subscription Receipts any document or other material that would constitute an offering memorandum or "future-oriented financial information" within the meaning of Securities Laws, other than the Investor Presentation; or (ii) engage in any form of general solicitation or general advertising in connection with the offer and sale of the Subscription Receipts, including but not limited to, causing the sale of the Subscription Receipts to be advertised in any newspaper, magazine, printed public media, printed media or similar medium of general and regular paid circulation, broadcast over radio, television or telecommunications, including electronic display, or conduct any seminar or meeting relating to the offer and sale of the Subscription Receipts whose attendees have been invited by general solicitation or advertising.



## 2.4 The Acquisition and Regulatory Filings.

The Companies will use their commercially reasonable efforts to: (a) take all actions reasonably necessary or required to complete the Acquisition and to satisfy the Escrow Release Conditions as soon as practicable after Closing and, in any event, before the Escrow Release Deadline and (b) prepare and, to the extent required, file all documents required by the Securities Regulators in connection with the issuance and sale of the Subscription Receipts by 124 BC, the issuance of the SR Shares upon the conversion or deemed conversion of the Subscription Receipts, so as to permit and enable such securities to be lawfully distributed on a prospectus exempt basis in the Selling Jurisdictions in accordance with this Agreement and the Subscription Agreements. The Companies will allow and assist the Agents and their counsel to participate fully in the preparation of, and to approve the form of all documentation required in respect of the Offering. The Companies will permit and provide the Agents and their counsel with a reasonable opportunity to review and provide comments on the Prospectus, and the Companies will accept all comments provided by the Agents, acting reasonably.

## 2.5 Representations as to the Investor Presentation.

In carrying out its responsibilities, the Agents will necessarily rely on information prepared by or supplied by the Companies or their affiliates, and their respective officers, directors, employees, agents and other representatives, including the Investor Presentation. In this regard, the Agents will be entitled to rely on and assume no obligation to verify the accuracy or completeness of such information and under no circumstances will be liable for any damages arising out of the inaccuracy or incompleteness of such information. The Companies will bear sole responsibility for the accuracy and completeness of any disclosure document prepared in connection with the Offering, Acquisition or CSE Listing, including the Prospectus.

## 2.6 Legends – Securities Laws.

Each Offering Security issued prior to the Escrow Release Date will have attached to it, whether through the electronic deposit system of CDS, an ownership statement issued under a direct registration system or other electronic book-entry system, or on certificates that may be issued, as applicable, any legends as may be prescribed by CDS in addition to a legend substantially in the following form:

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF (I) [CLOSING DATE], AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

**2.7 Agents' Compensation.** In consideration for the services rendered by the Agents hereunder, the Company will pay on the Escrow Release Date: (i) to the Agents, a cash commission (the "**Commission**") equal to 7.0% of the gross proceeds from the sale of the Subscription Receipts sold pursuant to the Offering, including any proceeds received pursuant to any exercise of the Over-Allotment Option; and (ii) to the Lead Agent, a cash corporate finance fee of \$25,000 plus GST (the "**Corporate Finance Fee**"). In addition, on a Closing Date, 124 BC agrees to issue and deliver to the Agents that number of non-transferable warrants of 124 BC (the "**Compensation Options**") as is equal to 7.0% of the Subscription Receipts sold under the Offering, including any Additional Subscription Receipts issued pursuant to any exercise of the Over-Allotment Option. Each Compensation Option is exercisable for the purchase of one 124 BC Share (an "**Agent Share**") at an exercise price of \$0.50 per Agent Share for a period of 24 months from the Escrow Release Date. 124 BC covenants that the certificates representing the Compensation Options will, among other things, include provisions for the appropriate adjustment in the class, number and price of the Agent Shares issuable upon exercise of the Compensation Options upon the occurrence of certain events,

including any subdivision, consolidation or reclassification of the 124 BC Shares and the payment of stock dividends with respect thereto.

### 3. Filing of Preliminary Prospectus and Final Prospectus.

- (a) **Preliminary Prospectus.** 124 BC covenants and agrees to use its commercially reasonable efforts to: (i) prepare and file the Preliminary Prospectus and obtain a receipt therefor from the Securities Commissions as soon as practicable after Closing; and (ii) promptly resolve all comments received or deficiencies raised by the Securities Commissions in respect of the Preliminary Prospectus as expeditiously as possible; provided, however, that 124 BC will provide to the Agents copies of all correspondence received by 124 BC from the Securities Commissions relating to such comments or deficiencies and will afford the Agents and their counsel a reasonable opportunity to review and provide input on 124 BC's responses to such correspondence. **Final Prospectus.** 124 BC covenants and agrees to use its commercially reasonable efforts to, as soon as practicable after all comments of the Securities Commissions have been satisfied with respect to the Preliminary Prospectus, prepare and file the Final Prospectus. 124 BC will promptly take, or cause to be taken, all commercially reasonable steps and proceedings that may from time to time be required under Securities Laws in Canada to qualify the distribution of the Qualified Securities in the Qualifying Jurisdictions and will use commercially reasonable efforts to ensure that such requirements (including the issuance of a receipt for the Final Prospectus) will be fulfilled as soon as practicable after Closing.
- (c) **Commercial Copies.** 124 BC will cause commercial copies of the Final Prospectus and any Supplementary Material to be delivered to the Agents without charge, in such numbers and in such Qualifying Jurisdictions as the Agent may reasonably request. Such delivery will be effected as soon as practicable and, in any event, within two Business Days after the filing thereof in the Qualifying Jurisdictions. The Agents will cause to be delivered to the Purchasers copies of the Final Prospectus and any Supplementary Material required to be delivered to them pursuant to Applicable Laws.
- (d) **Representation as to Prospectus.** Each delivery to the Agents of the Preliminary Prospectus, the Final Prospectus and/or any Supplementary Material by or on behalf of 124 BC will constitute the representation and warranty of the Companies to the Agents that: all information and statements (except information and statements relating solely to and provided in writing by the Agents) contained and incorporated by reference in the Preliminary Prospectus or the Final Prospectus or any Supplementary Material, as the case may be, are, at the respective dates of delivery thereof, true and correct and contain no misrepresentation or untrue, false or misleading statement of a material fact and, on the respective dates of delivery thereof, the Prospectus provide full, true and plain disclosure of all material facts relating to the Companies (on a consolidated basis) and the Offering Securities, as required by Securities Laws of the Qualifying Jurisdictions;
- (ii) no material fact has been omitted from the Prospectus (except information and statements relating solely to and provided in writing by the Agents) which is required to be stated therein or is necessary to make the statements therein not misleading in light of the circumstances in which they were made; and
- (iii) each of such documents complies with the requirements of Securities Laws of the Qualifying Jurisdictions,

and such delivery will also constitute the Companies' consent to the Agents' and any Selling Firm's use of the Prospectus in connection with the distribution of the Qualified Securities in the Qualifying Jurisdictions in compliance with the provisions of this Agreement.

- (a) **Review of Prospectuses.** The form and substance of the Prospectus will be satisfactory to the Agents and their legal counsel, acting reasonably. **Contractual Right of Rescission.** In the event that a Purchaser who acquires Qualified Securities upon deemed conversion of the Subscription

Receipts is or becomes entitled under Securities Laws to the remedy of rescission by reason of a misrepresentation in the Prospectus, qualifying the Qualified Securities for distribution in the Qualifying Jurisdictions, the Companies hereby agree that such holder will, subject to available defences and any limitation period under Securities Laws, be entitled to rescission not only of the holder's deemed exercise of its Subscription Receipts, but also of the private placement transaction under this Agreement pursuant to which the Subscription Receipts were initially acquired under the Offering, and will be entitled in connection with such rescission to a full refund of all consideration paid to 124 BC on the acquisition of Subscription Receipts. In the event that such holder is a permitted assignee of the interest of the original purchaser of the Subscription Receipts, the Companies hereby agree that such permitted assignee will be permitted to exercise the rights of rescission and refund granted hereunder as if such permitted assignee was such original purchaser instead of the original purchaser. The Companies hereby agree that the foregoing right, which is extended by 124 BC in respect of the Subscription Receipts issued by 124 BC pursuant to accepted subscriptions at the Closing Time on the Closing Date, is in addition to any other right or remedy available to a holder of Subscription Receipts, under Securities Laws or otherwise at law, and is subject to the defences and limitations described under such Securities Laws. The Companies agree that the foregoing rights will be described in the Prospectus, and the Companies agree to and will comply with such contractual right of rescission.

- (c) **Due Diligence.** The Companies will permit the Agents and their counsel to participate in the preparation of the Prospectus, to discuss the Companies' business with their corporate officials, auditors, legal counsel and other advisors and to conduct such full and comprehensive review and investigation of the Companies' business, affairs, capital and operations as the Agents will consider to be necessary to establish a due diligence defence under Applicable Laws to an action for misrepresentation or damages and to enable the Agents to responsibly execute the Agents' certificate in the Prospectus. The Companies also covenant to use their commercially reasonable efforts to secure the cooperation of their professional advisors (including legal advisors and auditors) and the officers and directors to participate in any due diligence conference calls required by the Agents, and the Companies consent to the use and disclosure of information obtained during the course of the due diligence investigation where such disclosure is required by Applicable Laws.**Deliveries.** 124 BC will deliver to the Agents prior to the filing of the Preliminary Prospectus and Final Prospectus, as applicable, unless otherwise indicated: a copy of the Preliminary Prospectus and Final Prospectus signed on behalf of 124 BC, by the persons and in the form required by Applicable Laws; a copy of any other document filed with, or delivered to, the Securities Commissions by 124 BC under Applicable Laws in connection with the filing of the Preliminary Prospectus or Final Prospectus; and in the case of the Final Prospectus, a "long-form" comfort letter dated the date of the Final Prospectus, in form and substance satisfactory to the Agents and their legal counsel, acting reasonably, from the Companies' auditors and based on a review completed not more than two Business Days prior to the date of the letter, with respect to certain financial and accounting information relating to the Companies included and incorporated by reference in the Final Prospectus, which letter will be in addition to the auditors' report contained in the Final Prospectus and any auditors' comfort letter addressed to or filed with the Securities Commissions under Securities Laws.**Supplementary Material.** If applicable, 124 BC will prepare and deliver promptly to the Agents copies of all Supplementary Material. Concurrently with the delivery of any Supplementary Material, 124 BC will deliver to the Agents, with respect to such Supplementary Material, documents substantially similar to those referred to in Section 3.2(c).**Covenants of the Companies.**

In addition to the covenants of the Companies set out in the other Sections of this Agreement, each Company, as applicable, individually and without liability to the other, hereby covenants to and for the benefit of the Agents and the Purchasers, and acknowledges that each of them is relying on such covenants in connection with the purchase of the Subscription Receipts, that:

- (a) 124 BC will duly execute and deliver the Subscription Receipt Agreement on or before the Closing Date in form and substance satisfactory to the Agents and their legal counsel, acting reasonably;

- (b) 124 BC will duly execute Subscription Agreements on or before the Closing Date which have been duly completed by the Purchasers, and will duly and punctually perform all obligations to be performed by it under the Offering Documents;
- (c) each Company will fulfil or cause to be fulfilled, at or prior to the Closing Date, each of the conditions required to be fulfilled by it set out in Section 11 hereof that are within its control (unless waived by the Agents);
- (d) 124 BC will fulfil all legal requirements to permit the creation, offering, issuance, sale, delivery, allotment and reservation, as applicable, of the Offering Securities, all as contemplated in this Agreement and file or cause to be filed all documents, applications, forms or undertakings required to be filed by 124 BC and take or cause to be taken all action required to be taken by 124 BC in connection with the creation, offering, issuance, sale, delivery, allotment and reservation, as applicable, of the Offering Securities, so that the distribution of the Offering Securities may lawfully occur without the necessity of filing a prospectus, registration statement, similar document or Offering Document in Canada, the United States or any other jurisdiction where Subscription Receipts are offered and sold by the Agent;
- (e) 124 BC will ensure that, at all times prior to the Escrow Release Date, a sufficient number of 124 BC Shares are duly and validly allotted and reserved for issuance upon the due conversion of the Subscription Receipts and Compensation Options, and 124 BC will ensure that the Underlying Securities, upon issuance, will be duly issued as fully paid and non-assessable 124 BC Shares and 124 BC will further ensure that each of the Offering Securities will have attributes corresponding in all material respects to the description thereof set forth in the Offering Documents, as applicable;
- (f) each Company will comply, in all material respects, with its obligations under Applicable Laws;
- (g) 124 BC will file with the Securities Commissions, CSE and SEC all forms, notices and certificates required to be filed by 124 BC pursuant to Securities Laws in the time required by Securities Laws, including, for greater certainty, Form 45-106F1 of NI 45-106 in the applicable Qualifying Jurisdictions and Form D under the U.S. Securities Act, and any other forms, notices and certificates set forth in the opinions delivered to the Agent pursuant to the closing conditions set forth in Section 11 hereof, as are required to be filed by 124 BC;
- (h) 124 BC will use its commercially reasonable efforts to make the Offering Securities issuable to holders resident in Canada eligible for deposit in CDS;
- (i) each Company will comply with the terms of, and perform its obligations under, the Transaction Documents, as applicable; and
- (j) 124 BC shall use commercially reasonable efforts to satisfy or cause to be satisfied the Escrow Release Conditions as soon as practicable and, in any event, before the Escrow Release Deadline.

In addition to the covenants of the Companies set out in the other Sections of this Agreement, each Company, as applicable, individually and without liability to the other, hereby covenants to and for the benefit of the Agents and the Purchasers, and acknowledges that each of them is relying on such covenants in connection with the purchase of the Subscription Receipts, as follows:

- (k) each Company will continue to operate its business in compliance with Applicable Laws and in the ordinary course;
- (l) the Companies will use their commercially reasonable efforts to have executed and delivered all agreements and other instrument necessary to complete the Acquisition and to effect the CSE Listing and satisfy the Escrow Release Conditions as soon as practicable after Closing and, in any event, before the Escrow Release Deadline;

- (m) on satisfaction of the Escrow Release Conditions, 124 BC shall direct payment of the Commission, the Corporate Finance Fee and any other fees or expenses to which the Agents are entitled from the Escrowed Funds, together with interest and any other income earned thereon, according to the instructions of the Lead Agent;
- (n) 124 BC shall retain the Subscription Receipt Agent or a substituted licensed trust company as subscription receipt agent in respect of the Escrowed Proceeds and the Subscription Receipts;
- (o) 124 BC shall remit the Shortfall Amount, if any, to the Subscription Receipt Agent forthwith following the Termination Notice (as defined in the Subscription Receipt Agreement), in priority to any payments to 124 BC's shareholders, debt holders or persons not dealing at arm's length (as such term is defined in the *Income Tax Act* (Canada)) with the Company;
- (p) 124 BC will use its commercially reasonable efforts to cause the Underlying Securities to be listed and posted for trading on the CSE from and after the Escrow Release Date;
- (q) the Companies will use the net proceeds from the sale of the Subscription Receipts in a manner consistent with the disclosure in the Prospectus;
- (r) each Company will forthwith notify the Agents of any breach of any covenant of any Transaction Document by any party thereto, or upon it becoming aware that any representation or warranty contained in any Transaction Document is or becomes untrue or inaccurate in any material respect;
- (s) the Companies will use their commercially reasonable efforts to obtain all consents, including approvals, permits, authorizations or filings as may be required under Applicable Laws or otherwise necessary for the execution and delivery of and the performance by the Companies of their obligations under the Transaction Documents, as applicable;
- (t) each Company, as applicable, will deliver to the Agents, without charge, contemporaneously with or prior to the closing of the Acquisition:
  - (i) a certificate dated the date of such closing, addressed to the Agents and signed by the Chief Executive Officer and Chief Financial Officer of 124 BC, certifying for and on behalf of 124 BC, and not in their personal capacities, after having made due inquiries, with respect to the following matters:
    - (A) 124 BC having complied with all of the covenants and satisfied all of the terms and conditions of the Transaction Documents on its part to be complied with and satisfied at or prior to the date of such closing;
    - (B) no order, ruling or determination having the effect of ceasing or suspending trading in any securities of 124 BC or prohibiting the issue of the Subscription Receipts or the Underlying Securities or any of 124 BC's issued securities having been issued and no proceeding for such purpose being pending or, to the knowledge of such officers, threatened;
    - (C) the representations and warranties of 124 BC contained in the applicable Transaction Documents and Ancillary Documents being true and correct as at the date of such closing, with the same force and effect as if made on and as at such date, after giving effect to the transactions contemplated by the applicable Transaction Documents; and
    - (D) since the Closing Time there having been no material adverse change, financial or otherwise, in the assets, liabilities (contingent or otherwise), capital, business or results of operations of 124 BC;

- (ii) a certificate dated the date of such closing, addressed to the Agents and signed by the Chief Executive Officer of Legacy, certifying for and on behalf of Legacy, and not in such officer's personal capacity, after having made due inquiries, with respect to the following matters:
  - (A) Legacy having complied with all of the covenants and satisfied all of the terms and conditions of the applicable Transaction Documents on its part to be complied with and satisfied at or prior to the date of the Final Prospectus;
  - (B) the representations and warranties of Legacy contained in the applicable Transaction Documents and Ancillary Documents being true and correct as at the date of such closing, with the same force and effect as if made on and as at such date, after giving effect to the transactions contemplated by the applicable Transaction Documents; and
  - (C) since the Closing Time there having been no material adverse change, financial or otherwise, in the assets, liabilities (contingent or otherwise), capital, business or results of operations of Legacy and the Legacy Subsidiaries;
- (u) the Companies will not amend, modify, delete or waive any material provision of the Definitive Agreement without the prior written consent of the Lead Agent, on behalf of the Agents, such consent not to be unreasonably withheld or delayed;
- (v) the Companies will, until the completion of the distribution of the Qualified Securities, deliver to the Agents copies of all correspondence and other written communications between the Companies and any Securities Commission, the CSE or other Governmental Authority relating to the Offering and the Companies will generally keep the Agents apprised of the status of, including all developments relating to, the Offering, Acquisition and CSE Listing;
- (w) each Company will, during the period from the date hereof until the date of the completion of the distribution of the Qualified Securities, promptly inform the Agents of the full particulars of any request of any Securities Commission for any information, or the receipt by either Company of any communication from any Securities Commissions or any other competent authority relating to such Company or which may be relevant to the distribution of the Qualified Securities;
- (x) each Company will advise the Agents promptly after receiving notice or obtaining knowledge of any of the following:
  - (i) the issuance by any Securities Commission of any order suspending or preventing the use of the Prospectus or the institution, threatening or contemplation of any proceeding for any such purposes;
  - (ii) any order, ruling, or determination having the effect of suspending the sale or ceasing the trading in any securities of a Company (including the Subscription Receipts and Underlying Securities) having been issued by any Securities Commissions or the institution, threatening or contemplation of any proceeding for any such purposes; or
  - (iii) any requests made by any Securities Commissions to amend or supplement the Preliminary Prospectus or Final Prospectus or to provide additional information, and each Company will use its commercially reasonable efforts to prevent the issuance of any order referred to in Section 4(x)(i) above and, if any such order is issued, to obtain the withdrawal thereof as quickly as possible.
- (y) 124 BC will advise the Agents, promptly after receiving notice thereof, of the time when the Prospectus has been filed and the receipt therefor have been obtained pursuant to NP 11-202 and

will provide evidence reasonably satisfactory to the Agent of each such filing and copies of such receipts;

- (z) each Company will, until the date of the completion of the distribution of the Qualified Securities, use commercially reasonable efforts to ensure the Prospectus complies at all times with Securities Laws.

## **5. Agents' Representations, Warranties and Covenants.**

Each Agent hereby represents and warrants to and covenants with the Companies that:

- (a) it is duly qualified and registered to carry on business as a securities dealer in each of the Qualifying Jurisdictions where the sale of the Subscription Receipts requires such qualification and/or registration in a manner that permits the sale of the Subscription Receipts on a basis described in Section 5(b) and it will ensure that any Selling Firm will be duly qualified and registered to carry on business as a securities dealer in each of the Qualifying Jurisdictions where the sale of the Subscription Receipts requires such qualification and/or registration in a manner that permits the sale of the Subscription Receipts on a basis described in Section 5(b);
- (b) it will, and will ensure any Selling Firm will, offer and solicit offers for the purchase of the Subscription Receipts in compliance with Securities Laws and only from such Persons and in such manner that no prospectus, registration statement, similar document or Offering Document in any Selling Jurisdiction will need be delivered or filed, other than any prescribed reports of the issue and sale of the Subscription Receipts and, in the case of any jurisdiction other than the Qualifying Jurisdictions, no continuous disclosure obligations will be created;
- (c) it will, and will ensure any Selling Firm will, make any offers or sales of Subscription Receipts in accordance with the terms of this Agreement;
- (d) it will conduct and will cause its affiliates, any Selling Firm and any Person acting on its behalf to conduct activities in connection with arranging for the offer and sale of the Subscription Receipts in compliance with Securities Laws;
- (e) it will obtain from each Purchaser a completed and executed Subscription Agreement, together with all Subscription Documents (including documents required by the CSE, if any) as may be necessary in connection with subscriptions for Subscription Receipts to ensure compliance with Securities Laws; and
- (f) it will refrain from advertising the Offering in: (i) printed media of general and regular paid circulation; (ii) radio; (iii) television; or (iv) telecommunication (including electronic display and the Internet) and, other than the Term Sheet and the Investor Presentation, it will not make use of any green sheet or other internal marketing without the consent of 124 BC and Legacy, such consent to be promptly considered and not to be unreasonably withheld.

## **6. Material Changes During Distribution.**

- (a) During the period from the date of this Agreement until the Escrow Release Date, the Companies will, upon becoming aware of same, promptly notify the Agents (and, if requested by the Agents, confirm such notification in writing) of: (a) any material change (actual, anticipated, contemplated or threatened) in the business, operations, assets, liabilities (contingent or otherwise) or capital of a Company; (b) any material fact which has arisen or has been discovered following the Closing Date and is required to be stated in the Prospectus or which would have been required to have been stated in the Prospectus had the fact arisen or been discovered on, or prior to, the date of such document; and (c) any change in any material fact (which for the purposes of this Agreement will be deemed to include the disclosure of any previously undisclosed material fact) contained in the Disclosure Documents or Prospectus which change is, or may be, of such a nature as to render

any statement in the Disclosure Documents or Prospectus misleading or untrue in any material respect or which would result in a misrepresentation in the Disclosure Documents or Prospectus or which would result in the Disclosure Documents or Prospectus not complying with Securities Laws.

- (b) The Companies will not file any Supplementary Material or other document without first advising the Agents with respect to the form and content thereof, it being understood and agreed that no such Supplementary Material or document may be filed with any Securities Commissions prior to advising the Agents. The Companies will, in good faith, discuss with the Agents any fact or change in circumstance which is of such a nature that there is or could be reasonable doubt whether notice need be given under this Section 6.
- (c) The Companies will, in good faith, discuss with the Agents any fact or change in circumstances (actual, anticipated, contemplated or threatened, financial or otherwise) which is of such a nature that there is reasonable doubt as to whether notice need be given to the Agent pursuant to this Section 6. Unless advised otherwise, the Agents will be entitled to assume that there has been no material change in any information provided by the Companies and will be entitled to rely thereon.

## **7. Representations and Warranties and Additional Covenants of 124 BC.**

124 BC represents and warrants to, and covenants with, the Agents and the Purchasers, and acknowledges that each of them is relying upon such representations and warranties and covenants in entering into this Agreement and completing the Closing, that as of the date hereof and the Closing Time or as of such other time as is contemplated by any representation, warranty or covenant set forth below:

- (a) 124 BC is validly existing under the laws of British Columbia and has all requisite corporate power, capacity and authority to: (i) own, lease and operate its assets and conduct its business as currently conducted or proposed to be conducted and to execute, deliver and carry out its obligations under the applicable Transaction Documents and Ancillary Documents, and to do all acts and things and execute and deliver all documents as are required hereunder and thereunder in accordance with the terms thereof; and (ii) create, offer, issue and sell, as applicable, the Offering Securities in accordance with this Agreement;
- (b) 124 BC has no liabilities (including in respect of Taxes), agreements, contracts, notes, mortgages, indentures, non-governmental permits or licenses, franchises, leases or other commitment or arrangement whatsoever binding upon 124 BC, other than the Transaction Documents, does not carry on any active business or own any property or assets and has been formed for the sole purpose of carrying out the Acquisition;
- (c) 124 BC does not have any direct or indirect subsidiaries nor any material investment in any Person or any agreement, option or commitment to acquire any such investment, and 124 BC does not beneficially own or exercise control or direction over 10% or more of the outstanding voting shares of any Person that holds assets or conducts operations;
- (d) no proceedings have been taken, instituted or are pending for the dissolution, winding-up or liquidation of 124 BC, and no approval has been given to commence any such proceedings;
- (e) 124 BC has taken all necessary corporate action to authorize the execution, delivery and performance of the applicable Transaction Documents and Ancillary Documents and to observe and perform the provisions of applicable Transaction Documents and Ancillary Documents in accordance with the provisions thereof, including the creation, offering, issuance, sale, delivery, allotment and reservation, as applicable, of the Offering Securities upon the terms and conditions set forth herein and in the applicable Transaction Documents and Ancillary Documents, and the creation, offering, issuance, sale, delivery, allotment and reservation, as applicable, of the Offering Securities;



- (f) 124 BC is not in violation of its constating documents, such constating documents are in full force and effect, and no actions have been taken and no changes are planned to amend such constating documents;
- (g) 124 BC has not committed an act of bankruptcy and is insolvent, has proposed a compromise or arrangement to any of its creditors, has had a petition or a receiving order in bankruptcy filed against it, has made a voluntary assignment in bankruptcy, has taken any action with respect to a compromise or arrangement, has taken any action to have itself declared bankrupt or wound-up, has taken any action to have a receiver appointed for any of its property or has had any execution or distress become enforceable or levied upon any of its property or assets;
- (h) there are no actions, suits, judgments, investigations or proceedings of any kind whatsoever outstanding or, to the best of 124 BC's knowledge, pending or threatened against or affecting 124 BC the result of which could have a Material Adverse Effect on 124 BC, or the directors, officers or employees thereof, at law or in equity or before or by any commission, board, bureau or agency of any kind whatsoever and, to the best of 124 BC's knowledge, there is no basis therefor and 124 BC is not subject to any judgment, order, writ, injunction, decree, award, rule, policy or regulation of any Governmental Authority;
- (i) the Books and Records of 124 BC are maintained substantially in accordance with Applicable Laws and the data room made available to the Agents contains accurate copies of all documents requested with no material omissions;
- (j) the authorized capital of 124 BC consists of an unlimited number of 124 BC Shares, of which as of the date hereof, 20,300,000 124 BC Shares were issued and outstanding as fully paid and non-assessable shares;
- (k) other than the Definitive Agreement or as set out in Schedule C, no Person has any agreement, option, right or privilege (whether pre-emptive, contractual or otherwise) capable of becoming an agreement for the purchase, acquisition, subscription for or issue of any unissued 124 BC Shares or other securities of 124 BC;
- (l) no officer, consultant, insider or other non-arm's length party to 124 BC (or any associate or affiliate thereof) has any right, title or interest in (or the right to acquire any right, title or interest in) any royalty interest, carried interest, participation interest or any other interest whatsoever which are based on revenue from or otherwise in respect of any assets of 124 BC;
- (m) the forms and terms of the certificates representing the 124 BC Shares have been approved and adopted by the board of directors of 124 BC and the form and terms of the certificates representing the 124 BC Shares do not and will not conflict with any Applicable Laws or the rules of the CSE;
- (n) the forms and terms of the certificates representing the Subscription Receipts and Compensation Options have been approved and adopted by the board of directors of 124 BC do not and will not conflict with any Applicable Laws;
- (o) Olympia, at its principal offices in Vancouver, British Columbia, has been duly appointed as the Subscription Receipt agent under the Subscription Receipt Agreement;
- (p) all forward-looking information and statements of 124 BC contained in the 124 BC Disclosure Documents, including any forecasts and estimates, expressions of opinion, intention and expectation are or will be based on assumptions that are reasonable in the circumstances, as at the date on which such statements and assumptions were made;
- (q) the market, industry and economic related data included in the 124 BC Disclosure Documents are or will be derived from sources which 124 BC reasonably believes to be accurate, reasonable and reliable, and such data is or will be consistent with the sources from which it was derived;

- (r) the statistical, industry and market related data included in the 124 BC Disclosure Documents are or will be derived from sources which 124 BC reasonably believes to be accurate, reasonable and reliable, and such data agrees with the sources from which it was derived;
- (s) all information which has been prepared by 124 BC relating to 124 BC and provided or made available to the Agents, and is true and correct in all material respects, taken as whole, and no fact or facts have been omitted therefrom which would make such information misleading in any material respect;
- (t) (i) the responses given by 124 BC and its directors and officers at all oral due diligence sessions conducted by the Agents in connection with the Offering, as they relate to matters of fact, have been and will continue to be true and correct in all material respects as at the time such responses have been or are given, as the case may be, and such responses taken as a whole have not omitted any fact or information necessary to make any of the responses not misleading in any material respect in light of the circumstances in which such responses were given or will be given, as the case may be; and (ii) where the responses reflect the opinion or view of 124 BC or its directors and officers (including responses or portions of such responses which are forward-looking or otherwise relate to projections, forecasts, or estimates of future performance or results (operating, financial or otherwise)), such opinions or views have been and will be honestly held and believed to be reasonable in the circumstances as at the date on which they are given;
- (u) other than Karan Thakur, there is no Person or Persons who are "promoter(s)" (within the meaning of Securities Laws) of 124 BC;
- (v) none of the directors, executive officers or shareholders who beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of any class or series of the voting securities of 124 BC or any known associate or affiliate of any such Person, had or has any material interest, direct or indirect, in any transaction or any proposed transaction (including, without limitation, any loan made to or by any such Person) with 124 BC which, as the case may be, materially affects, is material to or will materially affect 124 BC;
- (w) 124 BC is not party to any agreement, nor is 124 BC aware of any agreement, which in any manner affects the voting control of any securities of 124 BC;
- (x) 124 BC is not a reporting issuer in any jurisdiction in Canada and there is no published market in respect of the 124 BC Shares or any other securities of 124 BC;
- (y) 124 BC is not a party to or bound by any commitment, agreement or document containing any covenant which expressly and materially limits the freedom of 124 BC to compete in any line of business, transfer or move any of its assets or operations or which could result in a Material Adverse Effect;
- (z) 124 BC has not made any loans to or guaranteed the obligations of any Person;
- (aa) 124 BC has not withheld from the Agents and their counsel prior to the date hereof and will not withhold from the Agents and their counsel until the completion of the distribution of the Qualified Securities, any material fact relating to 124 BC;
- (bb) the minute books and corporate records of 124 BC for the period from incorporation to the date hereof made available to the Agents and their counsel contain copies of all proceedings (or certified copies thereof or drafts thereof pending approval) of the shareholders and the directors (or any committee thereof) thereof and there have been no other meetings, resolutions or proceedings of the shareholders or directors of 124 BC to the date hereof not reflected in such corporate records;

- (cc) all necessary corporate action has been taken by 124 BC to authorize the valid creation, issuance and delivery, as applicable, by 124 BC of the Offering Securities issuable to holders in Canada via a non-certificated inventory deposit with CDS;
- (dd) upon payment of the requisite consideration therefor, the Subscription Receipts will be validly created and issued and, upon exercise or deemed exercise of the Subscription Receipts the SR Shares will be validly issued as fully paid and non-assessable 124 BC Shares;
- (ee) upon Closing, the Compensation Options will be validly created, issued and delivered and, upon due exercise of the Compensation Options and payment in accordance with the terms thereof, the Agent Shares will be validly issued as fully paid and non-assessable 124 BC Shares;
- (ff) none of (i) the creation, offering, issuance, sale, delivery, allotment and reservation, as applicable, of the Offering Securities; (ii) the execution and delivery of the applicable Transaction Documents and Ancillary Documents; (iii) the compliance by 124 BC with the provisions of the applicable Transaction Documents and Ancillary Documents; or (iv) the consummation of the transactions contemplated in the applicable Transaction Documents and Ancillary Documents will (A) require the consent, approval, or authorization, order or agreement of, or registration or qualification with, any Governmental Authority, court, stock exchange, securities regulatory authority, any class or classes of the securityholders of 124 BC or other Person, except (x) such as have already been obtained; or (y) such as may be required under Securities Laws in the Qualifying Jurisdictions and will be obtained in compliance with the requirements of Securities Laws, which includes the filing of the Prospectus, all in accordance with Securities Laws, and 124 BC obtaining the receipt for the Final Prospectus; (B) conflict with or result in any breach or violation of any provisions of, or constitute a default under (whether after notice or lapse of time or both), any indenture, mortgage, deed of trust, lease or other material agreement or instrument to which 124 BC is a party or by which it or its assets are bound, or the articles, by-laws or any other constating document of 124 BC or any resolution passed by the directors (or any committee thereof) or shareholders of 124 BC, or any statute or any judgment, decree, order, rule, policy or regulation of any court, Governmental Authority, arbitrator, stock exchange or securities regulatory authority applicable to 124 BC or its assets which could have a Material Adverse Effect; or (C) result in the creation or imposition of any Lien or adverse interest of any kind whatsoever on the Subscription Receipts or 124 BC Shares;
- (gg) the applicable Transaction Documents and Ancillary Documents have been duly authorized, executed and delivered by 124 BC and, each applicable Transaction Document, constitutes a valid and legally binding obligation of 124 BC enforceable against 124 BC in accordance with the terms hereof or thereof, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by applicable law;
- (hh) there is no fact known to 124 BC which 124 BC has not disclosed to, or which 124 BC has withheld from, the Agents and which has or could have a Material Adverse Effect or which materially adversely affects or which may reasonably be expected to materially adversely affect the ability of the Companies to perform their obligations under the Transaction Documents;
- (ii) no order preventing, ceasing or suspending trading in any securities of 124 BC or prohibiting the issue and sale of securities by 124 BC has been issued and no proceedings for any of such purposes have been instituted or, to the knowledge of 124 BC, are pending, contemplated or threatened;
- (jj) other than the Agent, there is no Person acting or purporting to act at the request of 124 BC, who is entitled to any brokerage underwriting, finders', advisory or agency fee in connection with the Offering;

- (kk) 124 BC owns or has all proprietary rights provided in law and at equity to all patents, trademarks, copyrights, industrial designs, software, trade secrets, know-how, concepts, information and other intellectual and industrial property (collectively, "**Intellectual Property**") necessary to permit 124 BC to conduct its business as currently conducted. 124 BC has not received any notice nor is 124 BC aware of any infringement of or conflict with asserted rights of others with respect to any Intellectual Property or of any facts or circumstances that would render any Intellectual Property invalid or inadequate to protect the interests of 124 BC therein and which infringement or conflict (if subject to an unfavourable decision, ruling or finding) or invalidity or inadequacy could not result in a Material Adverse Effect;
- (ll) there are no material restrictions on the ability of 124 BC to use and explore all rights in the Intellectual Property required in the ordinary course of the business of 124 BC. None of the rights of 124 BC in the Intellectual Property will be impaired or affected in any way by the transactions contemplated by the Transaction Documents;
- (mm) 124 BC has taken all reasonable steps to protect its Intellectual Property in those jurisdictions where 124 BC carries on a sufficient business to justify such filings;
- (nn) 124 BC is not required to file reports with the SEC pursuant to Section 13(a) or Section 15(d) of the U.S. Exchange Act;
- (oo) neither 124 BC nor, to the best knowledge of 124 BC, any director, officer, agent, employee or other Person associated with or acting on behalf of 124 BC, has (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity, (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds, (iii) violated or is in violation of any provision of the *Corruption of Foreign Officials Act* (Canada) or the *Foreign Corrupt Practices Act* (United States), or (iv) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment;
- (pp) the operations of 124 BC are and have been conducted, at all times, in compliance with all applicable financial recordkeeping and reporting requirements of applicable anti-money laundering statutes of the jurisdictions in which 124 BC conducts business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "**Anti-Money Laundering Laws**"), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving 124 BC with respect to the Anti-Money Laundering Laws is pending or, to the best knowledge of 124 BC, threatened;
- (qq) neither 124 BC nor, to the best knowledge of 124 BC, any director, officer, agent, employee, affiliate or Person acting on behalf of 124 BC has been or is currently subject to any United States sanctions administered by the Office of Foreign Assets Control of the United States Treasury Department and 124 BC will not directly or indirectly use any proceeds of the distribution of the Subscription Receipts or lend, contribute or otherwise make available such proceeds to 124 BC or to any affiliated entity, joint venture partner or other Person or entity, to finance any investments in, or make any payments to, any country or Person targeted by any sanctions of the United States; and
- (rr) none of the representations, warranties and statements of fact contained in the Transaction Documents and none of the 124 BC Disclosure Documents contain any untrue statement of a material fact or omit to state any material fact necessary to make such statement or representation not misleading to a prospective purchaser of 124 BC Shares who is seeking full information concerning 124 BC.

**8. Representations and Warranties and Additional Covenants of Legacy.** Legacy represents and warrants to, and covenants with, the Agents and the Purchasers, and acknowledges that each of them is relying upon such representations and warranties and covenants in entering into this Agreement and completing the Closing, that as of the date hereof and the Closing Time or as

of such other time as is contemplated by any representation, warranty or covenant set forth below:

- (a) Legacy is validly existing under the laws of Bahamas and has all requisite corporate power, capacity and authority to own, lease and operate its assets and conduct its business as currently conducted or proposed to be conducted and to execute, deliver and carry out its obligations under the applicable Transaction Documents and Ancillary Documents, and to do all acts and things and execute and deliver all documents as are required hereunder and thereunder in accordance with the terms hereof and thereof;
- (b) Each Legacy Subsidiary has been duly incorporated and is validly existing under the laws of its jurisdiction of incorporation and has all requisite corporate power, capacity and authority to own, lease and operate its assets and conduct its business as currently conducted or proposed to be conducted;
- (c) Legacy and each Legacy Subsidiary is duly registered to do business and is in good standing in each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities make such registration necessary;
- (d) the Legacy Subsidiaries are the only subsidiaries of Legacy. Legacy has no material direct or indirect subsidiaries save for the subsidiaries referenced in the previous sentence, nor any material investment in any Person or any agreement, option or commitment to acquire any such investment, and Legacy does not beneficially own or exercise control or direction over 10% or more of the outstanding voting shares of any Person that holds assets or conducts operations, other than the Legacy Subsidiaries. Legacy is the direct or indirect registered and/or beneficial owner of all of the issued and outstanding shares of or interests in each Legacy Subsidiary (save for an 0.8% interest in Azteca held by Adam Arviv to satisfy local regulations, which interest is to be transferred to L8 Curacao) (and such ownership is evidenced by definitive documentation in the possession of Legacy or the applicable Legacy Subsidiary), in each case, free and clear of all Liens or adverse interests of any kind whatsoever, and no Person, firm, corporation or entity has any agreement, option, right or privilege (whether pre-emptive or contractual) capable of becoming an agreement or option, for the purchase from Legacy or any Legacy Subsidiary of any of the shares or other securities of any Legacy Subsidiary, save for as set out in the Pledge Agreement between Legacy 8 Ltd., Ariel Pfeffer and Legacy 8 Curacao dated April 6, 2017 already disclosed to the Agents (the "**Pfeffer Agreement**"). The securities of the Legacy Material Subsidiaries indicated in Schedule B constitute all of the issued and outstanding securities in the capital of each Legacy Material Subsidiary and have been duly authorized and are validly issued and, in the case of shares, are fully paid and non-assessable shares. The Legacy Non-Material Subsidiaries are not currently materially engaged in business activities;
- (e) no proceedings have been taken, instituted or are pending for the dissolution, winding-up or liquidation of Legacy or any Legacy Material Subsidiary, and no approval has been given to commence any such proceedings;
- (f) Legacy has taken or will take all necessary corporate action to authorize the execution, delivery and performance of the applicable Transaction Documents and Ancillary Documents and to observe and perform the provisions thereof in accordance with the provisions thereof;
- (g) neither Legacy nor any Legacy Material Subsidiary has committed an act of bankruptcy and is insolvent, has proposed a compromise or arrangement to any of its creditors, has had a petition or a receiving order in bankruptcy filed against it, has made a voluntary assignment in bankruptcy, has taken any action with respect to a compromise or arrangement, has taken any action to have itself declared bankrupt or wound-up, has taken any action to have a receiver appointed for any of its property or has had any execution or distress become enforceable or levied upon any of its property or assets;

- (h) Legacy and each Legacy Material Subsidiary has conducted and is conducting its business in compliance in all material respects with all applicable laws and regulations of each jurisdiction in which it is registered and Legacy and each Legacy Subsidiary holds all requisite licences, registrations, qualifications, permits and consents necessary or appropriate for carrying on its business as currently carried on in its corporate jurisdiction and all such licences, registrations, qualifications, permits and consents are valid and subsisting and in good standing in all respects, other than as could not result in a Material Adverse Effect. Without limiting the generality of the foregoing, neither Legacy nor any Legacy Material Subsidiary has received a written notice of non-compliance, nor does it know of, nor have reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such laws, regulations or permits;
- (i) Legacy and each Legacy Material Subsidiary is the absolute legal and beneficial owner of, and has good and marketable title to, all of the material properties and assets thereof, free and clear of any Liens and no other property or assets are necessary for the conduct of the business of Legacy and the Legacy Subsidiaries as currently conducted. Any and all of the agreements and other documents and instruments pursuant to which Legacy and each Legacy Material Subsidiary holds the property and assets thereof are valid and subsisting agreements, documents and instruments in full force and effect, enforceable in accordance with the terms thereof, and such properties and assets are in good standing under the applicable statutes and regulations of the jurisdictions in which they are situated, and all material leases, licenses and other agreements pursuant to which Legacy or any Legacy Material Subsidiary derives the interests thereof in such property are in good standing. Legacy does not know of any claim or the basis for any claim that might or could materially and adversely affect the right of Legacy or any Legacy Material Subsidiary to use, transfer or otherwise exploit their respective assets, and neither Legacy nor any Legacy Material Subsidiary has any responsibility or obligation to pay any commission, royalty, licence fee or similar payment to any Person with respect to the property and assets thereof;
- (j) no legal or governmental proceedings or inquiries are pending to which Legacy or any Legacy Material Subsidiary is a party or to which the property thereof is subject that would result in the revocation or modification of any certificate, authority, permit or license necessary to conduct the business now owned or operated by Legacy or any Legacy Material Subsidiary and, to the knowledge of Legacy, no such legal or governmental proceedings or inquiries have been threatened against or are contemplated with respect to Legacy or any Legacy Material Subsidiary or with respect to the properties or assets thereof;
- (k) there are no actions, suits, judgments, investigations or proceedings of any kind whatsoever outstanding or, to the best of Legacy's knowledge, pending or threatened against or affecting Legacy or any Legacy Material Subsidiary the result of which could have a Material Adverse Effect on Legacy, or the directors, officers or employees thereof, at law or in equity or before or by any commission, board, bureau or agency of any kind whatsoever and, to the best of Legacy's knowledge, there is no basis therefor and neither Legacy nor any Legacy Material Subsidiary is subject to any judgment, order, writ, injunction, decree, award, rule, policy or regulation of any Governmental Authority, save for as set out in Schedule "E" to this Agreement;
- (l) neither Legacy nor any Legacy Material Subsidiary is in violation of its constating documents or in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any contract, indenture, trust deed, mortgage, loan agreement, note, lease, licence or other agreement or instrument to which it is a party or by which it or its property or assets may be bound;
- (m) the constating documents of Legacy and each Legacy Material Subsidiary are in full force and effect, and no actions have been taken and no changes are planned to amend such constating documents;
- (n) neither Legacy nor any Legacy Material Subsidiary is a party to any written management contract or employment agreement, which provides for a right of payment in the event of a change of control

of Legacy, except for the Share Purchase Agreement between Yaniv Spielberg and Legacy Eight Ltd., dated February 22, 2021, already disclosed to the Agents (the "**Spielberg Agreement**");

- (o) other than as disclosed in the Legacy Disclosure Documents, (i) Legacy and each Legacy Material Subsidiary has conducted its business only in the usual, ordinary and regular course and consistent with past practice; (ii) no liability or obligation of any nature, other than those related to Acquisition, whether absolute, accrued, contingent or otherwise that has had or is reasonably likely to have a Material Adverse Effect, has been incurred; (iii) no event that has had or is reasonably likely to have a Material Adverse Effect has occurred; (iv) there has been no change in the financial condition, operations, results of operations, or business of Legacy or any Legacy Material Subsidiary that has had a Material Adverse Effect; (v) there has been no occurrence or circumstances which, with the passage of time, might reasonably be expected to have a Material Adverse Effect; and (vi) there has been no damage, destruction or loss, labour trouble, or other event, development or condition of any character (whether or not covered by insurance) suffered by Legacy or any Legacy Material Subsidiary which has had, or may reasonably be expected to have a Material Adverse Effect.
- (p) other than as disclosed in the Legacy Disclosure Documents, neither Legacy nor any Legacy Material Subsidiary has any outstanding indebtedness or any liabilities or obligations (whether accrued, absolute, contingent or otherwise), including under any guarantee of any debt;
- (q) except as mandated by or in conformity with the recommendations of a Governmental Entity, which government mandates have not materially affected Legacy or any Legacy Material Subsidiary, there has been no closure or suspension of the operations or workforce productivity of Legacy or any Legacy Material Subsidiary as a result of the novel coronavirus disease outbreak;
- (r) to the knowledge of Legacy, no counterparty to any obligation, agreement, covenant or condition contained in any contract, indenture, trust deed, mortgage, loan agreement, note, lease or other agreement or instrument to which Legacy or any Legacy Material Subsidiary is a party is in default in the performance or observance thereof, except where such violation or default in performance could not result in a Material Adverse Effect;
- (s) neither Legacy nor any Legacy Material Subsidiary has approved, or has entered into any agreement in respect of: (i) the purchase of any material property or assets or any interest therein or the sale, transfer or other disposition of any material property or assets or any interest therein currently owned, directly or indirectly, by Legacy whether by asset sale, transfer of shares or otherwise; (ii) other than the Definitive Agreement, the change in control (by sale, transfer or other disposition of shares or sale, transfer, lease or other disposition of all or substantially all of the property and assets of Legacy or any Legacy Material Subsidiary) of Legacy; or (iii) a proposed or planned disposition of shares by any shareholder who owns, directly or indirectly, 10% or more of the outstanding shares of Legacy;
- (t) the Books and Records of Legacy and each Legacy Material Subsidiary are maintained substantially in accordance with Applicable Laws and the data room made available to the Agent contains accurate copies of all documents requested with no material omissions;
- (u) the authorized capital of Legacy consists of \$5,000 made up of one class of shares divided into 5,000 of US \$1 each par value with one vote for each share, of which as of the date hereof, 5,000 are issued and outstanding as fully paid and non-assessable shares;
- (v) other than the Definitive Agreement or as set out in Schedule D, no Person has any agreement, option, right or privilege (whether pre-emptive, contractual or otherwise) capable of becoming an agreement for the purchase, acquisition, subscription for or issue of any unissued securities of any Legacy Material Subsidiary, save for the Spielberg Agreement and the agreement for the transfer of Mr. Arviv's 0.8% interest in Azteca to Legacy 8 Curacao and the Pfeffer Agreement;

- (w) all taxes (including income tax, capital tax, payroll taxes, employer health tax, workers' compensation payments, property taxes, custom and land transfer taxes), duties, royalties, levies, imposts, assessments, deductions, charges or withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto (collectively, "**Taxes**") due and payable by Legacy and each Legacy Material Subsidiary have been paid. All tax returns, declarations, remittances and filings required to be filed by Legacy or any Legacy Material Subsidiary have been filed with all appropriate Governmental Authorities and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading. No examination of any tax return of Legacy or any Legacy Material Subsidiary is currently in progress to the knowledge of Legacy and there are no issues or disputes outstanding with any Governmental Authority respecting any taxes that have been paid, or may be payable, by Legacy or any Legacy Material Subsidiary in any case;
- (x) there are no outstanding amounts payable to employees of Legacy or any Legacy Material Subsidiary other than in the ordinary course of business;
- (y) no material labour dispute with current and former employees of Legacy or any Legacy Material Subsidiary exists or is imminent and Legacy has no knowledge of any existing, threatened or imminent labour disturbance by the employees of any of the principal suppliers, manufacturers or contractors of Legacy or any Legacy Material Subsidiary;
- (z) there has not been and there is not currently any labour disruption or conflict which is adversely affecting Legacy or the Legacy Subsidiaries or could have a Material Adverse Effect;
- (aa) no officer, consultant, insider or other non-arm's length party to Legacy or any Legacy Material Subsidiary (or any associate or affiliate thereof) has any right, title or interest in (or the right to acquire any right, title or interest in) any royalty interest, carried interest, participation interest or any other interest whatsoever which are based on revenue from or otherwise in respect of any assets of Legacy or any Legacy Material Subsidiary;
- (bb) Legacy and each Legacy Material Subsidiary hold all material authorizations required under any applicable environmental laws in connection with the operation of its business and the ownership and use of its assets, and neither Legacy nor any Legacy Material Subsidiary nor any of their assets is the subject of any investigation, evaluation, audit or review not in the ordinary and regular course by any Governmental Entity to determine whether any violation of environmental laws has occurred or is occurring, and neither Legacy nor any Legacy Material Subsidiary is subject to any known environmental liabilities;
- (cc) other than as disclosed in the Legacy Disclosure Documents:
  - (i) Legacy or a Legacy Material Subsidiary is the sole legal and beneficial owner, and has valid and sufficient right, ownership, title and interest, duly registered if applicable, free and clear of any title defect or Lien, to all of its properties and assets of any nature whatsoever and to all benefits (collectively, the "**Legacy Assets**"), together with all additions thereto. The Legacy Assets are not subject to any Lien or defect in title of any kind. Legacy is not aware of any facts or circumstances which might limit, affect or prejudice the ownership rights of Legacy or any Legacy Material Subsidiary over the Legacy Assets;
  - (ii) Legacy and each Legacy Material Subsidiary have duly and timely satisfied all of the obligations required to be satisfied, performed and observed by it under, and there exists no default or event of default or event, occurrence, condition or act which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a default or event of default by Legacy or any Legacy Material Subsidiary under any agreement pertaining to the Legacy Assets and each such lease, contract or other agreement is enforceable and in full force and effect;



- (iii) (A) Legacy and the Legacy Subsidiaries have the exclusive right to deal with the Legacy Assets; (B) no person or entity of any nature whatsoever other than Legacy and the Legacy Subsidiaries has any interest in the Legacy Assets or any right to acquire or otherwise obtain any such interest; (C) there are no earn-in rights, rights of first refusal or obligations, royalty rights or other rights of any nature whatsoever which would affect Legacy and the Legacy Subsidiaries' interests in the Legacy Assets, and no such rights are threatened; (D) Legacy and the Legacy Subsidiaries have not received any notice, whether written or oral, from any Governmental Entity or any other person of any revocation or intention to revoke, diminish or challenge its interest in the Legacy Assets; and (E) the Legacy Assets are in good standing under and comply with Applicable Laws and all work required to be performed has been performed and all taxes, fees, expenditures and all other payments in respect thereof have been paid or incurred and all filings in respect thereof have been, and there exists no default or event of default or event, occurrence, condition or act which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a default or event of default by Legacy or any Legacy Material Subsidiary under any of the documents, instruments or any other agreement pertaining to the Legacy Assets and to the knowledge of Legacy, none of the counterparties to such documents, instruments or any other agreements pertaining to the Legacy Assets are in default thereunder except to the extent such that such defaults would not result in a Material Adverse Effect; and
  - (iv) there are no adverse claims, demands, actions, suits or proceedings that have been commenced or are pending or, to the knowledge of Legacy, that are threatened, affecting or which would affect Legacy or any Legacy Subsidiaries' right, title or interest in the Legacy Assets, including the title to or ownership of the foregoing, or which might involve the possibility of any judgement or liability affecting the Legacy Assets;
- (dd) other than in respect of the Acquisition, or as set out in the Disclosure Documents, Legacy has not approved, is not contemplating and has not entered into any agreement in respect of, nor has any knowledge of:
  - (i) the purchase of any material property or assets or any interest therein or the sale, transfer or disposition of any material property or assets or any interest therein currently owned, directly or indirectly, by Legacy or any Legacy Material Subsidiary whether by asset sale, transfer of shares or otherwise;
  - (ii) the change of control, by sale or transfer of shares or sale of all or substantially all of the property and assets of Legacy or any Legacy Material Subsidiary, or otherwise, of Legacy or any Legacy Material Subsidiary; or
  - (iii) a proposed or planned disposition of any securities of any Legacy Material Subsidiary by any holder thereof;
- (ee) Legacy and each Legacy Material Subsidiary has security measures and safeguards in place to protect Personally Identifiable Information it collects from clients and customers, as applicable, and other parties from illegal or unauthorized access or use by its personnel or third parties or access or use by its personnel or third parties in a manner that violates the privacy rights of third parties. Legacy and each Legacy Material Subsidiary has taken all reasonable steps to protect Personally Identifiable Information against loss or theft and against unauthorized access, copying, use, modification, disclosure or other misuse;
- (ff) the business and material property and assets of Legacy and the Legacy Subsidiaries conform in all material respects to the descriptions thereof contained in the Legacy Disclosure Documents;
- (gg) all forward-looking information and statements of Legacy contained in the Legacy Disclosure Documents, including any forecasts and estimates, expressions of opinion, intention and

- expectation are or will be based on assumptions that are reasonable in the circumstances, as at the date on which such statements and assumptions were made;
- (hh) the market, industry and economic related data included in the Legacy Disclosure Documents are or will be derived from sources which Legacy reasonably believes to be accurate, reasonable and reliable, and such data is or will be consistent with the sources from which it was derived;
  - (ii) the statistical, industry and market related data included in the Legacy Disclosure Documents are or will be derived from sources which Legacy reasonably believes to be accurate, reasonable and reliable, and such data agrees with the sources from which it was derived all information which has been prepared by Legacy relating to Legacy or any of the Legacy Subsidiaries and the business, property and liabilities thereof and provided or made available to the Agent, and all financial, marketing, sales and operational information provided to the Agent is, as of the date of such information, true and correct in all material respects, taken as whole, and no fact or facts have been omitted therefrom which would make such information misleading in any material respect;
  - (jj) other than Adam Arviv, there is no Person or Persons who are "promoter(s)", within the meaning of Securities Laws, of Legacy;
  - (kk) Legacy and each Legacy Material Subsidiary owns or has all proprietary rights provided in law and at equity to all Intellectual Property necessary to permit Legacy and each Legacy Material Subsidiary to conduct their respective business as currently conducted. Neither Legacy nor any Legacy Material Subsidiary has received any notice nor is Legacy aware of any infringement or conflict with asserted rights of others with respect to any Intellectual Property or of any facts or circumstances that would render any Intellectual Property invalid or inadequate to protect the interests of Legacy or any Legacy Material Subsidiary therein and which infringement or conflict (if subject to an unfavourable decision, ruling or finding) or invalidity or inadequacy could not result in a Material Adverse Effect;
  - (ll) there are no material restrictions on the ability of Legacy or any Legacy Material Subsidiary to use and explore all rights in the Intellectual Property required in the ordinary course of the business of Legacy and the Legacy Subsidiaries, as applicable. None of the rights of Legacy and the Legacy Subsidiaries in the Intellectual Property will be impaired or affected in any way by the transactions contemplated by the Transaction Documents;
  - (mm) Legacy and each Legacy Material Subsidiary has taken all reasonable steps to protect its Intellectual Property in those jurisdictions where Legacy and the Legacy Material Subsidiaries carry on a sufficient business to justify such filings;
  - (nn) any and all of the agreements and other documents and instruments pursuant to which Legacy and each Legacy Material Subsidiary holds the property and assets thereof (including any interest in, or right to earn an interest in, any Intellectual Property) are valid and subsisting agreements, documents or instruments in full force and effect, enforceable in accordance with the terms thereto; neither Legacy nor any Legacy Material Subsidiary is in default of any material provisions of any such agreements, documents or instruments nor has any such default been alleged; such properties and assets are in good standing under the applicable statutes and regulations of the jurisdictions in which they are situated; and all material leases, licences and other agreements pursuant to which Legacy and each Legacy Material Subsidiary derives their interests in such property and assets are in good standing and there has been no material default under any such lease, licence or agreement. None of the properties (or any interest in, or right to earn an interest in, any property) of Legacy or any Legacy Material Subsidiary is subject to any right of first refusal or purchase or acquisition right;
  - (oo) none of the directors, executive officers or shareholders who beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of any class or series of the voting securities of Legacy or any known associate or affiliate of any such Person, had or has any material interest,

- direct or indirect, in any transaction or any proposed transaction (including, without limitation, any loan made to or by any such Person) with Legacy which, as the case may be, materially affects, is material to or will materially affect Legacy and the Legacy Subsidiaries on a consolidated basis;
- (pp) save as set out in the Disclosure Documents Legacy is not party to any agreement, nor is Legacy aware of any agreement, which in any manner affects the voting control of any securities of Legacy or any Legacy Material Subsidiary;
  - (qq) Legacy and each Legacy Material Subsidiary is not a reporting issuer in any jurisdiction in Canada and there is no published market in respect of any other securities of Legacy or any Legacy Material Subsidiary;
  - (rr) neither Legacy nor any Legacy Material Subsidiary is a party to, bound by or, to the knowledge of Legacy, affected by any commitment, agreement or document containing any covenant which expressly and materially limits the freedom of Legacy or any Legacy Material Subsidiary to compete in any line of business, transfer or move any of its assets or operations
  - (ss) other than as disclosed in the Legacy Disclosure Documents, there are no material liabilities of Legacy, whether direct, indirect, absolute, contingent or otherwise, except for liabilities incurred in the ordinary course of business which would not, individually or in the aggregate, have a Material Adverse Effect;
  - (tt) other than as set out in the Disclosure Documents, Legacy has not made any loans to or guaranteed the obligations of any Person;
  - (uu) other than as set out in the Disclosure Documents, Legacy is in compliance with all laws respecting employment and employment practices, terms and conditions of employment, pay equity and wages, except where non-compliance with such laws could not result in a Material Adverse Effect;
  - (vv) To the best of its knowledge and belief, Legacy is not aware of any legislation, regulation or other lawful requirement of any Governmental Authority having lawful jurisdiction over Legacy or any Legacy Material Subsidiary presently in force or, to Legacy's knowledge, proposed to be brought into force, or any pending or contemplated change to any licensing or legislation, regulation, by-law or other lawful requirement of any Governmental Authority having lawful jurisdiction over Legacy or any Legacy Material Subsidiary presently in force, that Legacy reasonably expects Legacy or any Legacy Material Subsidiary will be unable to comply with or which could not result in a Material Adverse Effect;
  - (ww) all information which has been prepared by Legacy relating to Legacy and its business, properties and liabilities and made available to the Agents and their counsel was, as of the date of such information and is as of the date hereof, true and correct in all material respects, taken as a whole, and no fact or facts have been omitted therefrom which would make such information materially misleading;
  - (xx) Legacy has not withheld from the Agents and their counsel prior to the date hereof and will not withhold from the Agents and their counsel until the completion of the distribution of the Qualified Securities, any material fact relating to Legacy or any Legacy Material Subsidiary;
  - (yy) none of (i) the execution and delivery of the applicable Transaction Documents and Ancillary Documents; (ii) the compliance by Legacy with the provisions of the applicable Transaction Documents and Ancillary Documents; or (iii) the consummation of the transactions contemplated in the applicable Transaction Documents and Ancillary Documents will (A) require the consent, approval, or authorization, order or agreement of, or registration or qualification with, any Governmental Authority, court, stock exchange, securities regulatory authority, any class or classes of the securityholders of Legacy or other Person, except such as have already been obtained; (B) conflict with or result in any breach or violation of any provisions of, or constitute a default under

(whether after notice or lapse of time or both), any indenture, mortgage, deed of trust, lease or other material agreement or instrument to which Legacy or any Legacy Material Subsidiary is a party or by which it or any of its assets are bound, or the articles, by-laws or any other constating document of Legacy or any Legacy Material Subsidiary or any resolution passed by the directors (or any committee thereof) or shareholders of Legacy or any Legacy Material Subsidiary, or any statute or any judgment, decree, order, rule, policy or regulation of any court, Governmental Authority, arbitrator, stock exchange or securities regulatory authority applicable to Legacy or any Legacy Material Subsidiary or any of their assets, which could have a Material Adverse Effect; (C) constitute an event which would permit any party to any material contract of Legacy or any Legacy Material Subsidiary to terminate such material contract; or (D) result in the creation or imposition of any Lien or adverse interest of any kind whatsoever on any securities of Legacy or any Legacy Material Subsidiary;

- (zz) the applicable Transaction Documents and Ancillary Documents has been duly authorized, executed and delivered by Legacy and each applicable Transaction Document constitutes a valid and legally binding obligation of Legacy enforceable against Legacy in accordance with the terms thereof, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by applicable law;
- (aaa) there has not occurred any material change in the assets, liabilities, capital, affairs, prospects, business, operations or condition of Legacy and the Legacy Subsidiaries, taken as a whole, which has not been disclosed in the Legacy Disclosure Documents;
- (bbb) no order preventing, ceasing or suspending trading in any securities of Legacy or prohibiting the issue and sale of securities by Legacy has been issued and no proceedings for any of such purposes have been instituted or, to the knowledge of Legacy, are pending, contemplated or threatened;
- (ccc) the financial statements of the Legacy Subsidiaries to be included in the Prospectus and the notes thereto will present fairly, in all material respects, the financial position of the Legacy Subsidiaries on a consolidated basis as at the dates thereof and the results of operations and changes to shareholder equity and cash flows then ended, will not contain a misrepresentation and will be prepared in conformity with IFRS applied on a consistent basis throughout the periods involved, and there has been no material change in accounting policies or practices of Legacy that are not disclosed in the Legacy Disclosure Documents;
- (ddd) other than as disclosed in the Legacy Disclosure Documents, neither Legacy nor any Legacy Material Subsidiary has:
  - (i) paid or declared any dividend or incurred any material capital expenditure or made any commitment therefor;
  - (ii) incurred any obligation or liability, direct or indirect, contingent or otherwise, except in the ordinary course of business and which is not, and which in the aggregate are not, material; or
  - (iii) entered into any material transaction, other than the Definitive Agreement;
- (eee) neither Legacy nor any Legacy Material Subsidiary owns any real property;
- (fff) there is no Person acting or purporting to act at the request of Legacy, who is entitled to any brokerage underwriting, finders', advisory or agency fee in connection with the Offering;

- (ggg) Legacy maintains a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles in Canada and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any material differences;
- (hhh) Legacy is not required to file reports with the SEC pursuant to Section 13(a) or Section 15(d) of the U.S. Exchange Act;
- (iii) neither Legacy nor any Legacy Material Subsidiary nor, to the best knowledge of Legacy, any director, officer, agent, employee or other Person associated with or acting on behalf of Legacy or any Legacy Material Subsidiary, has (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity, (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds, (iii) violated or is in violation of any provision of the *Corruption of Foreign Officials Act* (Canada) or the *Foreign Corrupt Practices Act* (United States), or (iv) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment;
- (jjj) the operations of Legacy and the Legacy Subsidiaries are and have been conducted, at all times, in compliance with all applicable financial recordkeeping and reporting requirements of Anti-Money Laundering Laws, and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving Legacy or any Legacy Material Subsidiary with respect to the Anti-Money Laundering Laws is pending or, to the best knowledge of Legacy, threatened;
- (kkk) neither Legacy, nor any Legacy Material Subsidiary, nor, to the best knowledge of Legacy, any director, officer, agent, employee, affiliate or Person acting on behalf of Legacy or any Legacy Material Subsidiary has been or is currently subject to any United States sanctions administered by the Office of Foreign Assets Control of the United States Treasury Department and Legacy will not directly or indirectly use any proceeds of the distribution of the Subscription Receipts or lend, contribute or otherwise make available such proceeds to Legacy or to any affiliated entity, joint venture partner or other Person or entity, to finance any investments in, or make any payments to, any country or Person targeted by any sanctions of the United States;
- (lll) none of the representations, warranties and statements of fact contained in the Transaction Documents and none of the Legacy Disclosure Documents contain any untrue statement of a material fact or omit to state any material fact necessary to make such statement or representation not misleading to an investor who is seeking full information concerning Legacy and the Legacy Subsidiaries and their respective properties, businesses and affairs.

## **9. Closing.**

The purchase and sale of the Subscription Receipts may be completed in one or more Closings and each Closing will be completed at the Closing Time at the offices of McMillan LLP in Vancouver, British Columbia, or at such other place as the Company and the Agents may agree upon. At or prior to the Closing Time, the Company will, subject to the provisions of Section 11, duly and validly deliver to the Agents, or arrange for the delivery thereto of the Subscription Receipts by way of electronic deposit registered in the name of CDS or such other name or names as the Agents may direct in writing, against payment to the Subscription Receipt Agent, in accordance with the terms of the Subscription Receipt Agreement, in lawful money of Canada by wire transfer of an amount equal to the Escrow Proceeds.

## **10. Fees and Expenses of the Companies.**

124 BC will pay all expenses and fees in connection with the Offering, including, without limitation: (a) all expenses of or incidental to the creation, offering, issuance, sale, delivery, allotment and reservation, as applicable, of the Offering Securities; (b) all costs incurred in connection with the preparation of documentation relating to the Offering, including the qualification and distribution pursuant to the Final Prospectus of the Qualified Securities; (c) the fees and expenses of counsel and auditors to 124 BC, and 124 BC's registrar and transfer agent and Olympia; (d) all applicable filing, regulatory and CSE fees; and (e) all reasonable fees and expenses incurred by the Agents, including the reasonable fees and disbursements of the Agent's legal counsel, up to a maximum of \$50,000 (excluding taxes and disbursements) (the "**Closing Expense Cap**"). Subject to satisfaction of the Escrow Release Conditions, the Closing Expense Cap shall increase by an additional amount not to exceed \$25,000 in the aggregate (excluding taxes and disbursements) payable by 124 BC upon satisfaction of the Escrow Release Conditions, for the reasonable fees and expenses incurred by the Agents above the Closing Expense Cap. Subject to the limits set forth in this Section 10, 124 BC will be responsible for the fees, expenses, disbursements and taxes incurred by the Agents or on their behalf and such fees, expenses, disbursements and taxes will be payable by 124 BC whether or not the Offering is completed.

## **11. Closing Conditions.**

In addition to the deliveries contemplated by Section 9, the Agents' obligation to close the sale of Subscription Receipts sold under the Offering, at the Closing Time will be conditional upon the fulfilment at or before the Closing Time of the following conditions:

- (a) the Agents will have received at the Closing Time a certificate dated the Closing Date, signed by appropriate officer(s) of each Company addressed to the Agents and counsel to the Agents, with respect to the constating documents of such Company, all resolutions of such Company's board of directors relating to the Transaction Documents, the creation, offering, issuance, sale, delivery, allotment and reservation, as applicable, of the Offering Securities and the consummation of the respective transactions contemplated herein and therein, and the incumbency and specimen signature(s) of signing officer(s) and such other matters as the Agent may reasonably request;
- (b) the Subscription Agreements will have been accepted, executed and delivered by 124 BC;
- (c) the Subscription Receipt Agreement will have been executed and delivered by 124 BC and the Subscription Receipt Agent in form and substance satisfactory to the Agents and their counsel, acting reasonably;
- (d) the Agents will have received at the Closing Time certificates representing the Compensation Options registered in accordance with its instructions;
- (e) the Agents will have received favourable legal opinions addressed to the Purchasers and the Agents, in form and substance satisfactory to the Agents and their legal counsel, dated the Closing Date from counsel for 124 BC as to the laws of Canada and of the Qualifying Jurisdictions in which Purchasers are resident at the Closing Time; provided, however, that they may rely on opinions of local counsel of recognized standing in such jurisdictions where they are not qualified to practice law, which counsel may rely, as to factual matters only, on certificates of 124 BC's registrar and transfer agent, public officials and officers of 124 BC, which opinion will address the following matters:
  - (i) the incorporation and good standing of 124 BC;
  - (ii) 124 BC having all necessary corporate power and capacity to carry on business as presently carried on and to own its properties and assets;

- (iii) the authorized share capital of 124 BC and the number of issued and outstanding 124 BC Shares and any other shares immediately prior to the Closing Time;
- (iv) 124 BC having all necessary corporate power and authority to execute, deliver and perform its obligations under the Transaction Documents and to create, offer, issue, sell, deliver, allot and reserve, as applicable, the Offering Securities;
- (v) the execution and delivery of the Transaction Documents and the fulfilment of the terms thereof by 124 BC and the creation, offering, issuance, sale, delivery, allotment and reservation, as applicable, of the Offering Securities not resulting in a breach of or default under, and not creating a state of facts which, after notice or lapse of time or both, will result in a breach of or default under, and not conflicting with the notice of articles and articles of 124 BC, any applicable British Columbia law and federal law applicable therein;
- (vi) the form of certificate representing the Subscription Receipts and Compensation Options having each been duly approved by the board of directors of 124 BC;
- (vii) all necessary corporate action having been taken by 124 BC to authorize the creation, offering, issuance, sale, delivery, allotment and reservation, as applicable, of the Offering Securities; the execution and delivery of the Transaction Documents and the performance of its obligations thereunder; and the Transaction Documents having been duly executed and delivered by 124 BC and constituting legal, valid and binding obligations of 124 BC enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other laws affecting the rights of creditors generally and subject to such other standard assumptions and qualifications including the qualifications that equitable remedies may be granted in the discretion of a court of competent jurisdiction and that enforcement of rights to indemnity, contribution and waiver of contribution set out in any Transaction Document may be limited by applicable law;
- (viii) the Subscription Receipts having been duly and validly created and issued;
- (ix) the SR Shares having been duly and validly allotted and reserved for issuance and, upon the issue thereof upon the exercise or deemed exercise of the Subscription Receipts in accordance with the terms of the Subscription Receipt Agreement, being validly issued as fully paid and non-assessable 124 BC Shares;
- (x) the Compensation Options having been duly and validly created and issued;
- (xi) the Agent Shares having been duly and validly allotted and reserved for issuance and, upon exercise of the Compensation Options, in accordance with the terms of the certificates representing the Compensation Options, will be validly issued as fully paid and non-assessable 124 BC Shares;
- (xii) the Subscription Receipt Agent having been duly appointed as Subscription Receipt agent under the Subscription Receipt Agreement;
- (xiii) the offering, sale, issuance and delivery of the Subscription Receipts by 124 BC to Purchasers in the Qualifying Jurisdictions in accordance with the respective Subscription Agreements having been effected in such a manner as to be exempt from the prospectus requirements of Securities Laws in the Qualifying Jurisdictions and no documents being required to be filed, proceedings taken or approvals, permits, consents, orders or authorizations of any regulatory authority in the Qualifying Jurisdictions obtained under Securities Laws to permit such offering, sale, issuance and delivery; it being noted that 124 BC must file, within prescribed time periods, a Form 45-106F1 – *Report of Exempt Distribution* with the BCSC, together with prescribed fees and fee checklist(s), as applicable, within ten days after the Closing Date;

- (xiv) no filing, proceeding, approval, permit, consent or authorization being required to be made, taken or obtained under Securities Laws in the Qualifying Jurisdictions to permit the issuance of the SR Shares to Purchasers in the Qualifying Jurisdictions upon the due conversion of the Subscription Receipts in accordance with the terms of the Subscription Receipt Agreement;
  - (xv) the issuance of the Compensation Options to the Agent and any Selling Firm in the applicable Qualifying Jurisdictions being exempt from the prospectus requirements of Securities Laws in the applicable Qualifying Jurisdictions and no documents being required to be filed, proceedings taken or approvals, permits, consents, orders or authorizations of any regulatory authority in the applicable Qualifying Jurisdictions under Securities Laws to permit such issuance; it being noted that 124 BC must file, within prescribed time periods, a Form 45-106F1 – *Report of Exempt Distribution* with the BCSC, together with the prescribed fees and fee checklist, within ten days after the Closing Date;
  - (xvi) no documents being required to be filed, proceedings taken or approvals, permits, consents, orders or authorizations of any regulatory authority in the applicable Qualifying Jurisdictions under Securities Laws to permit the issuance of the Agent Shares upon the due exercise of the Compensation Options in accordance with the terms of the certificates representing the Compensation Options, including payment of the exercise price thereof;
  - (xvii) the first trade of each of the Offering Securities; and
  - (xviii) to such other matters as may reasonably be requested by the Agent prior to the Closing Time.
- (f) the Agents will have received favourable legal opinions addressed to the Purchasers and the Agents, in form and substance satisfactory to the Agents and their legal counsel, dated the Closing Date from counsel for the Legacy Material Subsidiaries; provided, however, that they may rely, as to factual matters only, on certificates of public officials and officers of Legacy, which opinion will address the following matters:
- (i) the incorporation and good standing of Legacy and each Legacy Material Subsidiary;
  - (ii) Legacy and each Legacy Material Subsidiary having all necessary corporate power and capacity to carry on business as presently carried on and to own its properties and assets;
  - (iii) the authorized share capital of Legacy and each Legacy Material Subsidiary and the ownership and number of issued and outstanding shares thereof immediately prior to the Closing Time;
  - (iv) Legacy having all necessary corporate power and authority to execute, deliver and perform its obligations under the Transaction Documents;
- (g) if any Subscription Receipts are being sold to Purchasers in the United States, the Agents will have received at the Closing Time an opinion addressed to the Agents, in form and substance satisfactory to counsel to the Agents, acting reasonably, dated as of the Closing Date, from McMillan LLP, U.S. legal counsel to 124 BC, to the effect that registration under the U.S. Securities Act is not required in connection with the offer and sale of the Subscription Receipts in the United States;
- (h) the Agents will have received a certificate of status (or equivalent document) in respect of 124 BC, Legacy and each Legacy Material Subsidiary;



- (i) the Agents will, in their sole discretion, acting reasonably, be satisfied with their due diligence review with respect to the business, assets, financial condition, affairs and prospects of the Companies;
- (j) each Company will have fulfilled to the satisfaction of the Agents all covenants set forth in Section 4 that are required to be satisfied by it on or prior to the Closing Time; and
- (k) the Agents will not have terminated its obligations under this Agreement pursuant to Section 12.

## **12. Rights of Termination.**

### **12.1 Right of Termination**

Each Agent is entitled, at its option, to terminate and cancel, without liability, its obligations under this Agreement by providing written notice to the Companies at any time prior to the Closing Time in each of the following circumstances:

- (a) any order, action or proceeding which cease trades, suspends or otherwise operates to prevent, prohibit or restrict the distribution or trading of the 124 BC Shares or of any Legacy Material Subsidiary or any other securities of 124 BC or Legacy Material Subsidiary is made or proceedings are announced, commenced or threatened for the making of any such order, action or proceeding by a securities regulatory authority;
- (b) there should occur any material change, change of a material fact, occurrence, event, fact or circumstance or any development or a new material fact will arise which has or would be expected to have, in the sole opinion of the Agent, a material adverse effect on the business, operations, affairs or financial condition of 124 BC or Legacy and the Legacy Subsidiaries, taken as a whole, or on the market price, value or marketability of the Subscription Receipts or 124 BC Shares;
- (c) any inquiry, action, suit, investigation or other proceeding, whether formal or informal (including matters of regulatory transgression or unlawful conduct), is commenced, announced or threatened or any order made by any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality or any securities regulatory authority or any law or regulation is enacted or changed which would cease trading in the 124 BC Shares or the securities of any Legacy Material Subsidiary or, in the opinion of the Agent, operates to prevent or restrict materially the trading or distribution of the Subscription Receipts or materially adversely affects or will materially adversely affect the market price, value or marketability of the Subscription Receipts or 124 BC Shares;
- (d) there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence (including any natural catastrophe) or any outbreak or escalation of national or international hostilities or any crisis or calamity or act of terrorism or similar event or any governmental action, change of applicable law or regulation (or the interpretation or administration thereof), inquiry or other occurrence of any nature whatsoever, including by a result of the novel coronavirus (COVID-19) pandemic only to the extent that there are material adverse impacts related thereto after March 5, 2021, which, in each case, in the opinion of the Agent, seriously adversely affects, or involves, or might reasonably be expected to seriously adversely affect, or involve, the financial markets in Canada or the United States or the business, operations or affairs of 124 BC or the Legacy Subsidiaries, taken as a whole;
- (e) either Company is in breach of any material term, condition or covenant of this letter or this Agreement or any representation or warranty given by either Company in this Agreement becomes or is false in any material respect and cannot be cured;

- (f) the Agent will become aware, as a result of its due diligence review or otherwise, of any adverse material change with respect to either Company, in the sole opinion of the Agent, which had not been disclosed to the Agent and which would have a material adverse effect on the market price or value of the Subscription Receipts or 124 BC Shares; or
- (g) the Agent determines that the state of the financial markets, whether national or international, is such that the Subscription Receipts or 124 BC Shares cannot be profitably marketed.

## **12.2 Survival and Notice**

- (a) The rights of termination contained in Section 12 may be exercised by an Agent and are in addition to any other rights or remedies an Agent may have in respect of any default, act or failure to act or non-compliance by the Companies in respect of any matters contemplated by this Agreement or otherwise. In the event of any such termination, there will be no further liability on the part of that Agent to either Company or on the part of either Company to an Agent except in respect of any liability or obligation which may have arisen or arises after such termination under Sections 1, 2.7, 10, 13 or 14, which Sections will survive the termination of this Agreement.
- (b) The Agents will use commercially reasonable efforts to give the notice to the Companies as contemplated by Section 12 of the occurrence of any events or circumstances referred to therein, provided that neither the giving nor the failure to give such notice will in any way affect the Agents' entitlement to exercise their rights contained in Section 12 at any time through to the Closing Time.

## **13. Survival of Representations and Warranties.**

The representations, warranties, covenants and indemnities of the Companies and the Agents contained in this Agreement will survive the Closing for a period of two years following the Closing.

## **14. Indemnity.**

- (a) The Companies hereby agree, jointly and severally, to indemnify and hold the Agents and any of their respective affiliates and their respective directors, officers, employees and shareholders (hereinafter referred to as the "**Personnel**") harmless from and against any and all expenses, losses (other than loss of profits), claims, actions, damages or liabilities, whether joint or several (including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings or claims), and the reasonable fees and expenses of their counsel that may be incurred in advising with respect to and/or defending any claim that may be made against an Agent, to which an Agent and/or the Personnel may become subject or otherwise involved in any capacity under any statute or common law or otherwise insofar as such expenses, losses, claims, damages, liabilities or actions arise out of or are based upon, directly or indirectly, the performance of professional services rendered to the Companies by an Agent and the Personnel hereunder or in connection with matters referred to in this Agreement, provided, however, that this indemnity will not apply to the extent that a court of competent jurisdiction in a final judgement that has become non-appealable will determine that:
  - (i) an Agent or the Personnel have been grossly negligent or dishonest or have committed any fraudulent act or willful misconduct in the course of such performance, or have breached applicable laws; and
  - (ii) the expenses, losses, claims, damages or liabilities, as to which indemnification is claimed, were directly caused by the gross negligence, dishonesty, fraud, willful misconduct or breach referred to in Section 14(a)(i).
- (b) If for any reason (other than the occurrence of any of the events itemized in Sections 14(a)(i) and (ii)), the foregoing indemnification is unavailable to an Agent or insufficient to hold them harmless, then the Companies will contribute to the amount paid or payable by an Agent as a result of such

expense, loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by the Companies on the one hand and an Agent on the other hand but also the relative fault of the Companies and an Agent, as well as any relevant equitable considerations; provided that the Companies will, in any event, contribute to the amount paid or payable by an Agent as a result of such expense, loss, claim, damage or liability, any excess of such amount over the amount of the fees received by an Agent hereunder pursuant to this Agreement.

- (c) The Companies agrees that in case any legal proceeding will be brought against the Companies and/or an Agent by any governmental commission or regulatory authority or any stock exchange or other entity having regulatory authority, either domestic or foreign, will investigate the Companies and/or an Agent and any Personnel of an Agent will be required to testify in connection therewith or will be required to respond to procedures designed to discover information regarding, in connection with, or by reason of the performance of professional services rendered to the Companies by an Agent, an Agent will have the right to employ its own counsel in connection therewith, and the reasonable fees and expenses of such counsel as well as the reasonable costs (including an amount to reimburse an Agent for time spent by the Personnel in connection therewith) and out-of-pocket expenses incurred by its Personnel in connection therewith will be paid by the Companies as they occur unless caused pursuant to Sections 14(a)(i) or (ii).
- (d) Promptly after receipt of notice of the commencement of any legal proceeding against an Agent or any of its Personnel or after receipt of notice of the commencement of any investigation, which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Companies, an Agent will notify the Companies in writing of the commencement thereof and, throughout the course thereof, will provide copies of all relevant documentation to the Companies, will keep the Companies advised of the progress thereof and will discuss with the Companies all significant actions proposed.
- (e) No admission of liability will be made and neither Company will be liable for any settlement of any action, suit, proceeding, claim or investigation made without its consent, such consent not to be unreasonably withheld.
- (f) The indemnity and contribution obligations of the Companies will be in addition to any liability which the Companies may otherwise have, will extend upon the same terms and conditions to the Personnel of an Agent and will be binding upon and ensure to the benefit of any successors, assigns, heirs and personal representatives of the Companies, the Agent and any of the Personnel of an Agent. The foregoing provisions will survive the completion of professional services rendered under this Agreement or any termination of this Agreement

## 15. Notices.

- (a) Any notice or other communication required or permitted to be given under this Agreement (a "**notice**") will be in writing and will be delivered to:

- (i) If to 124 BC:

1242455 B.C. Ltd.  
1570 – 505 Burrard Street  
Vancouver, British Columbia V7X 1M5

Attention: Karan Thakur  
Email: kthakur@k2capital.com

and, in respect of any notice given to 124 BC, with a copy (which will not constitute notice) to:

McMillan LLP  
Suite 1500, 1055 West Georgia Street  
Vancouver, British Columbia V6E 4N7

Attention: Jeff Wust  
Email: jeff.wust@mcmillan.ca

(ii) If to Legacy:

Legacy Eight Group Ltd  
Attn: Adam Arviv  
100 King St W Suite 3400, Toronto, ON M5X 1A4

and, in respect of any notice given to Legacy, with a copy (which will not constitute notice) to:

Segev LLP  
6<sup>th</sup> Floor – 905 West Pender St.  
Vancouver, BC V6C 1L6

Attention: Ron Segev  
Email: ron@segev.ca

(iii) If to the Agents:

Mackie Research Capital Corporation  
Suite 1920, 1075 West Georgia Street  
Vancouver, British Columbia V6E 3C9

Attention: Jovan Stupar  
Email: jstupar@researchcapital.com

Richardson Wealth Limited  
Suite 2200, 1055 West Hastings Street  
Vancouver, British Columbia V6E 2E9

Attention: Nargis Sunderji  
email: Nargis.Sunderji@RichardsonWealth.com

and, in respect of any notice given to the Agents, with a copy (which will not constitute notice) to:

MLT Aikins LLP  
Suite 2600, 1066 West Hastings Street  
Vancouver, British Columbia V6E 3X1

Attention: Kevin Sorochan  
email: ksorochan@mltaikins.com

or to such other address as any parties may designate by notice given to the others.

- (b) Each notice will be personally delivered to the addressee or sent by email transmission to the addressee and: (a) a notice which is personally delivered will, if delivered on a Business Day, be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is delivered; and (b) a notice which is sent by email transmission will be deemed to be given and received on the first Business Day following the day on which it is confirmed to have been sent.

**16. Confidential Information.**

- (a) For the purposes of this Agreement, "**Confidential Information**" includes financial, operating, technical, and other information and materials concerning either Company, its properties and its direct and indirect subsidiaries, which is furnished to the Agents, or to any of their respective directors, officers, and employees or to the Agents' accounting and legal advisors by either Company or any director, officer, employee, financial or accounting advisor, legal advisor, representative or other agent of either Company.
- (b) The term "Confidential Information" does not include information which: (i) becomes generally available to the public other than as a result of a disclosure by the Agents not permitted hereunder; (ii) was available to the Agents on a non-confidential basis prior to its disclosure to the Agents by either Company; (iii) becomes available to the Agents on a non-confidential basis from a source other than the Companies, provided that such source is not, to the knowledge of the Agents, bound by a confidentiality agreement with, or other confidentiality obligation to the applicable Company; or (iv) is independently developed by the Agents without reference to any Confidential Information.
- (c) The Agents undertake to keep confidential all Confidential Information received from the Companies and will not disclose such Confidential Information without the prior written approval of the applicable Company except as may be required by law or in connection with legal or regulatory proceedings. If the Agents are requested to disclose Confidential Information as a legal requirement or as part of a legal or regulatory process, the Agents will provide the Companies with prompt notice of such request so that the Companies can take whatever action they wish to take in relation to the request. The Agents undertake not to use any Confidential Information received from the Companies for any other purpose, except as contemplated in this Agreement.
- (d) Each Company will keep confidential all advice and opinions provided by the Agents, except as provided herein or as required to be disclosed by applicable law or in connection with legal or regulatory proceedings. If either Company is requested to disclose any such advice or opinions as a legal requirement or as part of a legal or regulatory process, such Company will provide the Agents with prompt written notice of such request so that the Agents can take whatever action it wishes to take in relation to the request.

**17. Use of Agents' Advice.**

None of (a) the name of any Agent, (b) the written or verbal advice, opinions or conclusions of an Agent, including, but not limited to, any background or supporting materials or analysis, or (c) any communication, fee or other arrangements with an Agent in connection with the services performed by an Agent pursuant to this Agreement, will be publicly disclosed, reproduced or referred to or provided to any third party by either Company, without the prior written consent of the Agent in each specific instance, such consent not to be unreasonably withheld. Each Agent expressly disclaims any liability or responsibility by reason of any unauthorized use, publication, distribution of or reference to any written or verbal advice or opinions or materials provided by it or any unauthorized reference to the Agents or this engagement. This Agreement and the terms thereof are confidential and may not be publicly disclosed, referred to or provided to any third party by either Company without the prior written consent of the Agents in each specific instance or unless required by applicable law in which case the applicable Company will provide each Agent with prior written notice so that each Agent may seek a protective order, injunction or other appropriate remedy.

**18. Publicity.**

- (a) Neither of the Companies nor the Agents, will make any public announcement in connection with the Offering, except if the other parties have all consented to such announcement or the announcement is required by applicable laws. In such event, the party proposing to make the announcement will provide the other party with a reasonable opportunity, in the circumstances, to review a draft of the proposed announcement and to provide comments thereon. In addition, during the period commencing on the date hereof and until completion of the distribution of the Subscription Receipts, any press release in connection with the Offering will contain substantially the following legend, and will comply with Rule 135e under the U.S. Securities Act:

"NOT FOR DISTRIBUTION TO UNITED STATES NEWS WIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES."

- (b) The Companies agree that the Agent may make public its involvement with the Companies in the Offering, including the right of the Agent at its own expense to, following completion of the Offering, place advertisements describing its services to the Companies, in financial, news or business publications. If requested by the Agents, the Companies will include a mutually acceptable reference to the Agents in any press release or other public announcement made by either Company regarding the matters described in this Agreement.

**19. Direction of Inquiries.**

The Companies agrees to direct all enquiries from any Person or entity, expressing an interest in participating in the Offering to the Agents.

**20. Independent Contractors.**

- (a) Each Company acknowledges that it has retained the Agents solely to assist the Companies (and not any other Person) with the matters set forth in this Agreement. In rendering assistance, the Agents will each act as an independent contractor, and each Agent owes its duties arising out of this engagement solely to the Companies, and to no other Person. Each Company acknowledges that nothing in this Agreement is intended to create duties to the Companies, beyond those expressly provided for in this Agreement, and the Agents and each Company specifically disclaim the creation of any partnership, joint venture, fiduciary, agency or non-contractual relationship between, or the imposition of any partnership, joint venture, fiduciary, agency or non-contractual duties on, either party. Except as set out in Section 14 of this Agreement, nothing in this Agreement is intended to confer upon any other Person any rights or remedies under this Agreement or by reason of this Agreement.
- (b) Each Company acknowledges that each Agent is not acting in any capacity other than as expressly provided for in this Agreement, including as to legal, tax or accounting matters in any jurisdiction, and that each Agent will not provide any legal, tax or accounting advice, either pursuant to this Agreement or otherwise. The Companies will be solely responsible for engaging and instructing such advisors as they deem necessary for purposes of the subject matter of this Agreement and are solely responsible for making their own independent investigation and appraisal of the transaction contemplated under this Agreement, and the Agents will have no responsibility or liability to either Company with respect to such matters.

**21. Syndication of Agents.**

The Agents' obligations under this Agreement shall be several and not joint. The sale of the Subscription Receipts subject to the Offering shall be on a "best efforts" agency basis without underwriter liability and the respective obligations and rights and benefits hereunder shall be as to the following percentages:

Research Capital Corporation<sup>(1)</sup>

85%

Richardson Wealth Limited	15%
<hr/>	
	100%

(1) Lead Agent and sole bookrunner

## 22. Action by Agents.

All steps which must or may be taken by the Agents in connection with the Closing of the Offering, with the exception of the matters relating to termination contemplated by Section 12 and matters relating to indemnity contemplated by Section 14 or as otherwise specified herein, may be taken by the Lead Agent, on behalf of the other Agent, and the execution of this Agreement by the other Agent and by the Corporation shall constitute the Corporation's authority and obligation for accepting notification of any such steps from the Lead Agent. The Lead Agent shall fully consult with the other Agent with respect to all notices, waivers, extensions or other communications to or with the Corporation.

## 23. Compliance with Laws.

The Companies and the Agents will comply with all applicable laws, regulations, rules and policies, whether domestic, foreign, national, federal, provincial, state or otherwise applicable to the Offering, the Acquisition and the CSE Listing.

## 24. General.

**24.1 Time of the Essence.** Time will, in all respects, be of the essence hereof.

**24.2 Headings.** The headings contained herein are for convenience only and will not affect the meaning or interpretation hereof.

**24.3 Entire Agreement.** This Agreement and the other agreements and documents referred to herein constitute the only agreement between the parties with respect to the subject matter hereof and will supersede any and all prior negotiations and understandings between the parties hereto with respect to the transactions contemplated in this Agreement. This Agreement may be amended or modified in any respect by written instrument only.

**24.4 Conflict.** Each Company acknowledges that the Agents and its affiliates carry on a range of businesses, including providing stockbroking, investment advisory, research, investment management and custodial services to clients and trading in financial products as agent or principal. It is possible that the Agents and other entities in their respective groups that carry on those businesses may hold long or short positions in securities of companies or other entities, which are or may be involved in the transactions contemplated in this Agreement and effect transactions in those securities for their own account or for the account of their respective clients. Each Company agrees that these divisions and entities may hold such positions and effect such transactions without regard to such Company's interests under this Agreement.

**24.5 Severability.** The invalidity or unenforceability of any particular provision of this Agreement will not affect or limit the validity or enforceability of the remaining provisions of this Agreement.

**24.6 Successors and Assigns.** The terms and provisions of this Agreement will be binding upon and enure to the benefit of the Companies, the Agents and the Purchasers and their respective successors and permitted assigns; provided, however, that, except as provided herein, this Agreement will not be assignable by either Company without the prior written consent of the Agents, or by the Agents without the prior written consent of the Companies.

**24.7 Further Assurances.** Each of the parties hereto will do or cause to be done all such acts and things and will execute or cause to be executed all such documents, agreements and other instruments as

may reasonably be necessary or desirable for the purpose of carrying out the provisions and intent of this Agreement.

**24.8 Effective Date.** This Agreement is intended to and will take effect as of the date first set forth above, notwithstanding its actual date of execution or delivery.

**24.9 Counterparts and Facsimile Execution.** This Agreement may be executed in any number of counterparts, which taken together will form one and the same agreement. This Agreement may be executed by one or more of the parties by facsimile transmitted signature or by e-mail in PDF format and all parties agree that the reproduction of signature by way of facsimile or by e-mail in PDF format will be treated as though such reproductions were executed originals.

**24.10 Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein and the parties hereto attorn to the non-exclusive jurisdiction of the courts of such Province in connection with all matters arising hereunder.

*[This space intentionally left blank.]*



If the Companies are in agreement with the foregoing terms and conditions, please so indicate by executing a copy of this Agreement where indicated below and delivering the same to the Agent.

Yours sincerely,

**RESEARCH CAPITAL CORPORATION**

"Jovan Stupar"  
Jovan Stupar  
Managing Director, Investment Banking

**RICHARDSON WEALTH LIMITED**

"Nargis Sunderji"  
Nargis Sunderji  
Vice President, Private Client Capital Markets

The foregoing is hereby accepted on the terms and conditions therein set forth.

DATED as of May 7, 2021

**1242455 B.C. LTD.**

"Karan Thakur"  
Karan Thakur  
Director

**LEGACY EIGHT LTD.**

"Adam Arviv"  
Adam Arviv  
Director

## SCHEDULE A

### COMPLIANCE WITH UNITED STATES SECURITIES LAWS

As used in this Schedule A, the following terms will have the following meanings:

**"Accredited Investor"** has the meaning ascribed to such term in Rule 501(a) of Regulation D;

**"Accredited Investor Certificate"** means the Accredited Investor Certificate attached as Schedule C to the Subscription Agreement;

**"Directed Selling Efforts"** means "directed selling efforts" as such term is defined in Rule 902(c) of Regulation S. Without limiting the foregoing, but for greater clarity in this Schedule A, it means, subject to the exclusions from the definition of directed selling efforts contained in Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any Subscription Receipts, and includes the placement of any advertisement in a publication with a general circulation in the United States that refers to the offering of the Subscription Receipts;

**"Disqualification Event"** has the meaning ascribed to such term in Section A(12) below;

**"Foreign Issuer"** means a "foreign issuer" as such term is defined in Rule 902(e) of Regulation S. Without limiting the foregoing, but for greater clarity in this Schedule A, it means any issuer which is (a) the government of any country other than the United States or of any political subdivision of a country other than the United States; or (b) a corporation or other organization incorporated or organized under the laws of any country other than the United States, except an issuer meeting the following conditions as of the last business day of its most recently completed second fiscal quarter: (1) more than 50 percent of the outstanding voting securities of such issuer are directly or indirectly owned of record by residents of the United States; and (2) any following; (i) the majority of the executive officers or directors are United States citizens or residents, (ii) more than 50 percent of the assets of the issuer are located in the United States, or (iii) the business of the issuer is administered principally in the United States;

**"General Solicitation or General Advertising"** means "general solicitation or general advertising", as used in Rule 502(c) of Regulation D, including, without limitation, any advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or on the internet, or broadcast over radio or television or the internet, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising;

**"Offshore Transaction"** means "offshore transaction" as such term is defined in Rule 902(h) of Regulation S;

**"Regulation D"** means Regulation D adopted by the SEC under the U.S. Securities Act;

**"Regulation S"** means Regulation S adopted by the SEC under the U.S. Securities Act;

**"Rule 144A"** means Rule 144A under the U.S. Securities Act;

**"SEC"** means the United States Securities and Exchange Commission;

**"Substantial U.S. Market Interest"** means "substantial U.S. market interest" as such term is defined in Rule 902(j) of Regulation S;

**"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. Exchange Act"** means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;

**"U.S. Purchaser"** means an original Purchaser of the Subscription Receipts that is, or is acting for the account or benefit of, a U.S. Person or a Person in the United States, or any Person offered the Subscription Receipts in the United States (except Persons excluded from the definition of U.S. Person pursuant to Rule 902(k)(2)(vi) of Regulation S or Persons holding accounts excluded from the definition of U.S. Person pursuant to Rule 902(k)(2)(i) of Regulation S), or that was in the United States when the buy order was made or when the Subscription Agreement pursuant to which it is acquiring Subscription Receipts was executed or delivered; and

**"U.S. Securities Act"** means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

All other capitalized terms used but not otherwise defined in this Schedule A will have the meanings assigned to them in the Agency Agreement to which this Schedule A is attached.

#### **A. Representations, Warranties and Covenants of 124 BC**

124 BC represents and warrants to and covenants with the Agents, as at the date hereof and as at the Closing Date, that:

1. It is, and on the Closing Date will be, a Foreign Issuer with no Substantial U.S. Market Interest with respect to the 124 BC Shares.

2. Except with respect to offers and sales of Subscription Receipts in accordance with this Schedule A (i) to U.S. Purchasers in reliance upon the exemption from the registration requirements of the U.S. Securities Act available pursuant to Rule 506(b) of Regulation D and/or Section 4(a)(2) of the U.S. Securities Act and all applicable state securities laws, and (ii) in an Offshore Transaction in reliance upon the exclusion from the registration requirements of the U.S. Securities Act available pursuant to Rule 903 of Regulation S, neither 124 BC nor any of its affiliates, nor any Person acting on any of their behalf (other than the Agent, the U.S. Affiliates, their respective affiliates or any Person acting on any of their behalf, in respect of which no representation, warranty or covenant is made), has made or will make: (A) any offer to sell, or any solicitation of an offer to buy, any Subscription Receipts to a Person in the United States; or (B) any sale of Subscription Receipts unless, at the time the buy order was or will have been originated, the Purchaser is (i) outside the United States, not a U.S. Person and not purchasing for the account or benefit of any U.S. Person or Person in the United States, or (ii) 124 BC, its affiliates, and any Person acting on their behalf reasonably believe that the Purchaser is outside the United States, not a U.S. Person and not purchasing for the account or benefit of any U.S. Person or Person in the United States.

3. During the period in which the Subscription Receipts are offered for sale, none of 124 BC, its affiliates or any Persons acting on any of their behalf (other than the Agent, the U.S. Affiliates, their respective affiliates or any Person acting on any of their behalf, in respect of which no representation, warranty or covenant is made) has made or will make any Directed Selling Efforts or has engaged or will engage in any form of General Solicitation or General Advertising or has acted in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act in the United States with respect to the Subscription Receipts.

4. 124 BC is not, and as a result of the sales of the Subscription Receipts and the application of the proceeds thereof will not be, an "investment company", as defined in the United States Investment Company Act of 1940, as amended, registered or required to be registered under such Act.

5. 124 BC has not sold, offered for sale or solicited any offer to buy and will not sell, offer for sale or solicit any offer to buy, during the period beginning six months prior to the start of the Offering of the Subscription Receipts and ending six months after the completion of the Offering of the Subscription Receipts, any of its securities in the United States in a manner that would be integrated with and would

cause the exemption from registration provided by Rule 506(b) of Regulation D or the exclusion from registration provided by Rule 903 of Regulation S, to be unavailable with respect to offers and sales of the Subscription Receipts pursuant to this Schedule A.

6. None of 124 BC, its affiliates or any Person on behalf of any of them (other than the Agent, the U.S. Affiliates, their respective affiliates or any Person acting on any of their behalf, in respect of which no representation, warranty or covenant is made) will take any action that would cause the exemptions or exclusions provided by Rule 903 of Regulation S or Rule 506(b) of Regulation D to be unavailable with respect to offers and sales of the Subscription Receipts to U.S. Purchasers pursuant to the Agency Agreement including this Schedule A.

7. Neither 124 BC nor any of its predecessors or affiliates has been subject to any order, judgment, or decree of any court of competent jurisdiction temporarily, preliminarily or permanently enjoining such Person for failure to comply with Rule 503 of Regulation D.

8. None of 124 BC, its affiliates or any Person on behalf of any of them (other than the Agent, the U.S. Affiliates, their respective affiliates or any Person acting on any of their behalf, in respect of which no representation, warranty or covenant is made) has engaged or will engage in any violation of Regulation M under the U.S. Exchange Act in connection with this Offering.

9. Upon the written request of any U.S. Purchaser, 124 BC will undertake a determination whether 124 BC is a "passive foreign investment company" within the meaning of Section 1297(a) of the United States Internal Revenue Code of 1986, as amended ("**Code**"), during any calendar year following the purchase of the Subscription Receipts by such purchaser, 124 BC will provide to such purchaser, upon written request, all information that would be reasonably required for income tax reporting purposes to permit a United States securityholder to make the election to treat 124 BC as a "qualified electing fund" for the purposes of such Code;

10. None of 124 BC or any of its predecessors or affiliates has had the registration of a class of securities under the U.S. Exchange Act revoked by the SEC pursuant to Section 12(j) of the U.S. Exchange Act and any rules or regulations promulgated thereunder;

11. 124 BC will, within prescribed time periods, prepare and file any forms or notices required under the U.S. Securities Act or applicable state securities laws in connection with the Offering, including filing a report of exempt offering on Form D under the U.S. Securities Act with the SEC.

12. With respect to the Subscription Receipts to be offered and sold hereunder in reliance on Rule 506(b) of Regulation D (the "**Regulation D Securities**"), none of 124 BC, any of its predecessors, any director, executive officer, other officer of 124 BC participating in the Offering, any beneficial owner of 20% or more of 124 BC's outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as such term is defined in Rule 405 under the U.S. Securities Act) connected with 124 BC in any capacity at the time of sale (each, an "**Issuer Covered Person**" and, together, "**Issuer Covered Persons**") is subject to any "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the U.S. Securities Act (a "**Disqualification Event**"), except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3). 124 BC has exercised reasonable care to determine (i) the identity of each Person that is an Issuer Covered Person; and (ii) whether any Issuer Covered Person is subject to a Disqualification Event. 124 BC has complied, to the extent applicable, with its disclosure obligations under Rule 506(e), and has furnished to the Agent a copy of any disclosures provided thereunder.

## **B. Representations, Warranties and Covenants of the Agents and the U.S. Affiliate**

Each Agent represents and warrants to and covenants and agrees with 124 BC as at the date hereof and as at the Closing Date, that:

1. It acknowledges that the Subscription Receipts have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws and may not be offered or sold except pursuant to an

exclusion or exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. It has offered and sold and will offer and sell the Subscription Receipts only (i) in an Offshore Transaction in accordance with Rule 903 of Regulation S, or (ii) in the United States as provided in this Schedule A. Accordingly, neither the Agent, nor its U.S. Affiliate, nor any Persons acting on any of their behalf: (i) have engaged or will engage in any Directed Selling Efforts; or (ii) except as permitted by this Schedule A, have made or will make (x) any offers to sell, or any solicitation of an offer to buy, Subscription Receipts in the United States or to, or for the account or benefit of, any U.S. Person or any Person in the United States, or (y) any sale of Subscription Receipts to any Purchaser unless, at the time the buy order was or is originated, the Purchaser was outside the United States, not a U.S. Person and not acting for the account or benefit of a U.S. Person or Person in the United States, or the Agent, the U.S. Affiliate, their respective affiliates or any Person acting on any of their behalf reasonably believed that such Purchaser was outside the United States, not a U.S. Person and not acting for the account or benefit of a U.S. Person or Person in the United States.

2. It has not entered and will not enter into any contractual arrangement with respect to the offer and sale of the Subscription Receipts, except with its U.S. Affiliate or with the prior written consent of 124 BC.

3. It will require the U.S. Affiliate to agree, for the benefit of 124 BC, to comply with, and will use its best efforts to ensure that the U.S. Affiliate complies with, the provisions of this Schedule A as if such provisions applied to such U.S. Affiliate.

4. All offers of the Subscription Receipts in the United States for sale by 124 BC will be effected by the U.S. Affiliate in accordance with all applicable U.S. federal and state broker-dealer requirements. Such U.S. Affiliate is, and will be on the date of each offer or sale of Subscription Receipts in the United States, duly registered as a broker-dealer pursuant to Section 15(b) of the U.S. Exchange Act and the securities laws of each state in which such offer or sale is made (unless exempted from the respective state's broker-dealer registration requirements) and a member of and in good standing with the Financial Industry Regulatory Authority, Inc.

5. Any offer, sale or solicitation of an offer to buy Subscription Receipts that has been made or will be made was or will be made only (i) in the United States to Accredited Investors in transactions that are exempt from the registration requirements of the U.S. Securities Act pursuant to Rule 506(b) of Regulation D and exempt from registration under all applicable state securities laws, and (ii) outside the United States in Offshore Transactions that are excluded from registration pursuant to Rule 903 of Regulation S.

6. Offers and sales of Subscription Receipts in the United States have not been and will not be made by any form of General Solicitation or General Advertising or in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act.

7. Prior to any sale by 124 BC of Subscription Receipts to U.S. Purchasers identified by it, the Agent will deliver to each offeree a copy of the U.S. Placement Memorandum and cause each such U.S. Purchaser that is an Accredited Investor to execute and deliver a Accredited Investor Certificate including any schedules and exhibits attached thereto.

8. All U.S. Purchasers of the Subscription Receipts will be informed that the Subscription Receipts have not been and will not be registered under the U.S. Securities Act and applicable state securities laws and are being offered and sold to such U.S. Purchasers in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Rule 506(b) of Regulation D and/or Section 4(a)(2) of the U.S. Securities Act.

9. The Agent understands that all Subscription Receipts issued to U.S. Purchasers that are Accredited Investors in the Offering, and the SR Shares issuable in exchange for such Subscription Receipts will be issued in definitive physical form and will bear a United States restrictive legend substantially in the form set forth in the Accredited Investor Certificate.

10. None of the Agent, its U.S. Affiliate, their respective affiliates or any Person acting on any of their

behalf has engaged or will engage in any violation of Regulation M under the U.S. Exchange Act in connection with this Offering.

11. With respect to Regulation D Securities, none of (i) the Agent or the U.S. Affiliate, (ii) the Agent's or the U.S. Affiliate's general partners or managing members, (iii) any Agent's or the U.S. Affiliate's directors, executive officers or other officers participating in the offering of the Regulation D Securities, (iv) any Agent's or the U.S. Affiliate's general partners' or managing members' directors, executive officers or other officers participating in the offering of the Regulation D Securities or (v) any other Person associated with any above Persons, that has been or will be paid (directly or indirectly) remuneration for solicitation of Purchasers in connection with sale of Regulation D Securities (each, a "**Dealer Covered Person**" and, collectively, the "**Dealer Covered Persons**"), is subject to any Disqualification Event except for a Disqualification Event (i) contemplated by Rule 506(d)(2) of the U.S. Securities Act and (ii) a description of which has been furnished in writing to 124 BC prior to the date hereof or, in the case of a Disqualification Event occurring after the date hereof, prior to the date of any offering of the Subscription Receipts. As of the Closing Date, the Agent is not aware of any Person (other than any Dealer Covered Person) that has been or will be paid (directly or indirectly) remuneration for solicitation of Purchasers in connection with the sale of any Regulation D Securities.

12. At least one Business Day prior to the Closing Date, it will provide 124 BC and its transfer agent with a list of all U.S. Purchasers of the Subscription Receipts, together with their addresses (including state of residence), the number of Subscription Receipts purchased and the registration and delivery instructions for the Subscription Receipts.

13. At Closing, the Agent, together with the U.S. Affiliate, will provide a certificate, substantially in the form of Exhibit A to this Schedule A, relating to the manner of the offer and sale of the Subscription Receipts in the United States or to, or for the benefit or account of, any U.S. Person or Person in the United States, or will be deemed to have represented that they did not offer or sell Subscription Receipts in the United States or to, or for the benefit or account of, any U.S. Person or Person in the United States.

## EXHIBIT A

### AGENT'S CERTIFICATE

In connection with the private placement in the United States of Subscription Receipts (the "**Subscription Receipts**") of 1242455 B.C. Ltd. ("**124 BC**") pursuant to the agency agreement dated May 7, 2021 (the "**Agency Agreement**"), between 124 BC, Legacy Foods Inc., Research Capital Corporation and Richardson Wealth Limited (the "**Agent**"), each of the undersigned does hereby certify to 124 BC as follows:

- (a) [●] (the "**U.S. Affiliate**") is, and at all relevant times was, a duly registered broker or dealer with the United States Securities and Exchange Commission and is a member of and in good standing with the Financial Industry Regulatory Authority, Inc. on the date hereof and the date on which each offer was made by it in the United States, and all offers and sales of the Subscription Receipts in the United States have been effected by the U.S. Affiliate in compliance with all U.S. federal and state broker-dealer requirements;
- (b) immediately prior to making any offers to any offeree in the United States, we had reasonable grounds to believe and did believe that the offeree was an Accredited Investor and, on the date hereof, we continue to believe that each such offeree that is purchasing Subscription Receipts from us is an Accredited Investor;
- (c) no form of general solicitation or general advertising (as those terms are used in Regulation D under the U.S. Securities Act) was used by us, including, without limitation, advertisements, articles, notices or other communications published in any newspaper, magazine or similar media on the internet or broadcast over radio or television or the internet or any seminar or meeting whose attendees had been invited by general solicitation or general advertising, in connection with the offer or sale of the Subscription Receipts in the United States;
- (d) we obtained and delivered to 124 BC, for acceptance at the Closing, a duly executed Subscription Agreement from each U.S. Purchaser that is an Accredited Investor;
- (e) neither we nor any of our affiliates have taken or will take any action that would constitute a violation of Regulation M under the U.S. Exchange Act with respect to the offer or sale of the Subscription Receipts;
- (f) the offering of the Subscription Receipts in the United States has been conducted by us in accordance with the terms of the Agency Agreement including Schedule A thereto;
- (g) all Purchasers of the Subscription Receipts in the United States or who were offered Subscription Receipts in the United States have been informed that the Subscription Receipts have not been and will not be registered under the U.S. Securities Act and are being offered and sold to such Purchasers without registration in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Rule 506(b) of Regulation D and/or Section 4(a)(2) of the U.S. Securities Act;
- (h) none of (i) the undersigned, (ii) the undersigned's general partners or managing members, (iii) any undersigned's directors, executive officers or other officers participating in the offering of the Regulation D Securities, (iv) any undersigned's general partners' or managing members' directors, executive officers or other officers participating in the offering of the Regulation D Securities or (v) any other Person associated with any above Persons, that has been or will be paid (directly or indirectly) remuneration for solicitation of Purchasers in connection with sale of Regulation D Securities (each, a "**Dealer Covered Person**"), is subject to any "Bad Actor" disqualifications described in Rule 506(d)(1) under Regulation D; and

- (i) the undersigned are not aware of any Person (other than any Dealer Covered Person) that has been or will be paid (directly or indirectly) remuneration for solicitation of Purchasers in connection with the sale of any Subscription Receipts pursuant to Rule 506(b) of Regulation D.

Terms used in this certificate have the meanings given to them in the Agency Agreement unless otherwise defined herein.

Dated this \_\_\_\_ day of \_\_\_\_\_, 2021.

**[NAME OF AGENT]**

**[NAME OF U.S. AFFILIATE]**

By:

By:

\_\_\_\_\_

\_\_\_\_\_

Name:  
Title:

Name:  
Title:



## SCHEDULE B

### LEGACY SUBSIDIARIES

<b>Name</b>	<b>Jurisdiction of Formation</b>	<b>Beneficial Equity / Voting Ownership</b>
Legacy Eight Curacao NV	Curacao	Legacy Eight Ltd. – 20 shares (100%)
Azteca Messenger Services S.A. de C.V.	Mexico	Legacy Eight, Ltd. – 9,900 shares (99%) Adam Arviv – 100 shares (1%)
Bulleg Eight Limited	Cyprus	100% owned by Legacy 8 Curacao NV
Phoenix Digital Services Ltd	England and Wales	Yaniv Spielberg – 1 share (100%) (to be transferred to Legacy Eight Bahamas

## **SCHEDULE C**

### **124 BC CONVERTIBLE SECURITIES**

The only convertible securities of 124 BC are the following:

- 374,500 special warrants of 124 BC issued at a price of \$0.05 per special warrant with each special warrant automatically convertible (without payment of any further consideration) into one (1) 124 BC Share on the date that is the earlier of: (i) the third Business Day after receipt for the Final Prospectus (which will qualify the distribution of the 124 BC Shares underlying such special warrants; or (ii) one (1) year and one day after the issue date of such special warrants.

## **SCHEDULE D**

### **LEGACY CONVERTIBLE SECURITIES**

The only convertible securities of Legacy are the following:

- Nil

## SCHEDULE E

Various claims brought by Ariel Pfeffer against Legacy 8 Curacao N.V. and Adam Arviv, among other parties, in the courts of Uruguay, including “Pfeffer, Ariel v. Westocean S.A. et al. – Ordinary Labour Proceedings – IUE 2-51576/2017.”

A claim under the style of cause “*Pfeffer v. Legacy 8 Ltd.*” filed in the Ontario Superior Court of Justice under court file no. CV-17-586679-00CL

A claim filed in the district court of Clark Country under File No. A-17-759862 pursuant to which Legacy Eight Ltd., the Canadian parent company of Legacy is named as a third party.