

SHARE PURCHASE AGREEMENT

THIS AGREEMENT made as of the 26 day of October, 2014.

AMONG:

SPARTA CAPITAL LTD., a body corporate incorporated under the laws of the Province of Alberta and having its registered office in the City of Calgary, in the Province of Alberta
(hereinafter referred to as "**Sparta**" or the "**Purchaser**")

OF THE FIRST PART

- and -

THOSE PARTIES LISTED IN SCHEDULE "A" HERETO
(hereinafter referred to as the "**Vendors**")

OF THE SECOND PART

- and -

NEWPORT ENVIRONMENTAL TECHNOLOGIES LTD., a body corporate incorporated under the laws of the Province of Ontario and having an office in the City of Toronto, in the Province of Ontario
(hereinafter referred to as "**Newport**")

OF THE THIRD PART

WHEREAS:

- A. The Purchaser is incorporated under the provisions of the *Business Corporations Act* (Alberta) and is a public company with its common shares listed and posted for trading on NEX;
- B. The Vendors are the registered owners of the Newport Common Shares as hereinafter defined as set forth in Schedule "A" attached hereto; and
- C. The Vendors have agreed to sell, and the Purchaser has agreed to purchase, effective on the Closing Date, the Newport Common Shares as hereinafter defined on the terms and conditions contained herein.

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the above premises and of the covenants, agreements, representations and warranties hereinafter set forth, it is hereby agreed as follows:

1. Definitions

- 1.1 In this Agreement, unless there is something in the subject or context inconsistent therewith, words importing the singular number shall include the plural and vice versa, words importing the masculine gender shall include the feminine and neuter genders and the expressions following shall have the following meanings, respectively:

"ABCA" means the *Business Corporations Act* (Alberta), as from time to time amended or re-enacted, and including any regulations promulgated thereunder;

"Agreement", "this Agreement", "herein", "hereby", "hereof", "hereunder" and similar expressions mean or refer to this Share Purchase Agreement and any amendments hereto;

"Amalgamation" means the proposed post-closing amalgamation of Sparta and Newport, whereby the surviving entity will be Sparta, the Resulting Issuer;

"BIA" means the *Bankruptcy and Insolvency Act* (Canada);

"Business Day" means any day on which the Canadian chartered banks are open for business in the City of Calgary, excluding Saturdays, Sundays and statutory holidays in the Province of Alberta;

"Certificate of Amalgamation" means the certificate of amalgamation for Sparta issued by the Director pursuant to Section 186 of the ABCA;

"CST" means CST Trust Company, the transfer agent and registrar of Sparta Shares, and its successors and assigns;

"Closing" has the meaning ascribed thereto in Section 10.1 hereof;

"Closing Date" has the meaning ascribed thereto in Section 10.1 hereof;

"Director" means the Director appointed under the ABCA;

"Employment Agreements" means any employment agreements to be entered into at Closing between Sparta and each of its new officers, in a form satisfactory to Sparta and the parties thereto;

"Newport" means Newport Environmental Technologies Ltd.;

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

"Newport Debt" means the outstanding debt of Newport in the aggregate amount of CDN \$375,000 made pursuant to three loan agreements: (i) one agreement between Newport and 2364971 Ontario Ltd. for CDN \$300,000 with a term of 24 months bearing interest at a rate of approximately 3.0% per annum subject to adjustment; (ii) one agreement among Newport and Peter L. Quattro & Associates Inc. for CDN \$67,500 with a term of 24 months bearing interest at a rate of approximately 4.0% per annum subject to adjustment; and (iii) one agreement among Newport and Elora Financial Management Inc. for CDN \$7,500 with a term of 24 months bearing interest at a rate of approximately 4.0% per annum subject to adjustment;

"Newport Share Acquisition" means the acquisition by Sparta from the Vendors of the Newport Common Shares owned by the Vendors pursuant to the terms and conditions of this Agreement;

"NEX" means the board of TSX Venture Exchange Inc. known as "NEX" and governed by the Policy;

"Ordinary course of business" when used in relation to the conduct by the Purchaser or Newport, as the case may be, of its respective business, means any transaction which constitutes an ordinary day-to-day business activity of such corporation, conducted in a commercially reasonable and businesslike manner, having no unusual or special features, and being such as a corporation or other entity of

similar nature and size and engaged in a similar business might reasonably be expected to carry out from time to time;

"Person" means a natural person, firm, corporation, trust, partnership, joint venture, governmental body or agency or association;

"Policy" means NEX Policy;

"Purchase Price" means the aggregate purchase price payable by the Purchaser to the Vendors for the Newport Common Shares by the issuance of the Sparta Common Shares with a deemed value of \$ 0.05 per share in accordance with the provisions of Section 3.1 hereof;

"Purchaser" or **"Sparta"** means Sparta Capital Ltd.;

"Registrar and Transfer Agent" means CST, and any other person which may be appointed as registrar and transfer agent of Sparta from time to time;

"Related Parties" means promoters, officers, directors and other insiders of a company, and associates or affiliates thereof;

"Resulting Issuer" means Sparta after completion of the Acquisitions and the Amalgamation;

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

"Sparta Options" means the 3,225,000 outstanding stock options of Sparta, as adjusted for any exercise after the date hereof, if any, each entitling the holder to purchase one Sparta Common Share for which 2,725,000 may be exercised at a price of \$0.10 per share and 500,000 stock options issued may be exercised at a price of \$0.20 per share, in accordance with their terms until the date of expiry, as applicable, as set out below:

Options	Price per Common Share	Expiry Date
1,725,000	\$0.10	June 15, 2018
250,000	\$0.20	January 11, 2015
250,000	\$0.20	April 12, 2015
150,000	\$0.10	January 23, 2015
300,000	\$0.10	September 9, 2016
550,000	\$0.10	October 16, 2016

"Sparta Stock Option Plan" means the current incentive stock option plan of Sparta in the form approved by NEX;

"Sparta Warrants" means the 22,793,620 outstanding warrants of Sparta, as adjusted for any exercise after the date hereof, if any, each entitling the holder to purchase one fully paid and non-assessable Sparta Common Share at a price of \$0.10 per share, in accordance with their terms until

February 11, 2015 in respect of 18,750,000 outstanding warrants and until July 26, 2015 in respect of 4,043,620 outstanding warrants;

“Tax” or “Taxes” shall mean taxes, fees, levies, duties, tariffs, imposts, premiums and governmental impositions or charges of any kind in the nature of (or similar to) taxes payable to any federal, provincial, state, local or foreign taxing authority, including (without limitation): (i) income, capital, business, franchise, profits, gross receipts, *ad velorum*, goods and services, customs, net worth, value added, sales, use, service, real or personal property, special assessments, capital stock, licence, payroll, withholding, employment, social security, workers compensation, unemployment insurance or compensation, utility, severance, production, excise, stamp, occupation, premiums, environmental, recapture, windfall profits, transfer and gains taxes, fees, levies, duties, tariffs, imposts, premiums and governmental impositions; and (ii) interest, penalties, additional taxes, and additions to tax imposed with respect thereto;

“Tax Returns” shall mean returns, reports, declarations, and information statements with respect to any Taxes required to be filed with any taxing authority, whether domestic or foreign;

“Termination Date” has the meaning assigned thereto in Section 11.1 hereof;

“Time of Closing” has the meaning described thereto in Section 10.1 hereof; and

“Vendors” means, collectively, those parties listed in Schedule “A” hereto and “Vendor” means, individually, each of those parties listed in Schedule “A” hereto on their own behalf.

- 1.2 Words and phrases defined in the ABCA shall have the same meaning herein as in the ABCA, unless otherwise defined herein or the context otherwise requires. Unless otherwise specifically indicated or the context otherwise requires “include”, “includes” and “including” shall be deemed to be followed by the words “without limitation”.

2. Sale, Purchase and Exchange

- 2.1 The Vendors hereby covenant and agree to sell, assign and transfer to the Purchaser all of the issued and outstanding Newport Common Shares as indicated by that number of Newport Common Shares listed opposite the name of each Vendor on Schedule “A” hereto, and the Purchaser hereby covenants and agrees to purchase from the Vendors, all of the Newport Common Shares on the terms and conditions herein contained in this Agreement.
- 2.2 Newport hereby consents to the transfer of the Newport Common Shares by the Vendors to the Purchaser, effective on the Closing Date, and covenants to use its commercially reasonable efforts to obtain all necessary consents to approve the said transfer of such Newport Common Shares to the Purchaser.

3. Consideration

- 3.1 The parties hereto agree that the Purchase Price for the Newport Common Shares shall be paid on the Closing Date by the issuance of Sparta Common Shares on the basis of one Sparta Common Share with a deemed value of \$0.05 per share for each Newport Common Share owned, for an aggregate of 62,000,000 Sparta Common Shares to the Vendors.
- 3.2 The parties acknowledge and agree that the Sparta Common Shares to be issued to the Vendors pursuant to Section 3.1 hereof will be subject to compliance with applicable securities laws.

4. **Covenants of Newport**

- 4.1 Newport covenants and agrees with Sparta that Newport will not from the date of execution hereof to and including the Closing Date, except as contemplated by this Agreement or with the prior written consent of Sparta such consent not to be unreasonably withheld:
- (a) declare, pay or set aside any dividends or provide for any distribution of its properties or assets, or make any payment by way of return of capital, to its shareholders;
 - (b) split, combine or reclassify any outstanding shares;
 - (c) enter into any material contract, other than in the Ordinary course of business consistent with past practice;
 - (d) redeem, purchase or offer to purchase any of its shares or other securities;
 - (e) reorganize, amalgamate or merge with any other Person or other business organization whatsoever;
 - (f) acquire or agree to acquire (by merger, amalgamation, acquisition of securities or assets or otherwise) any Person or other business organization or division or any assets or properties of a material nature;
 - (g) incur or commit to incur any additional indebtedness for borrowed money or issue any debt securities;
 - (h) issue or commit to issue any shares of its capital stock, or rights, warrants or options to purchase such shares, or any securities convertible into such shares, warrants or options;
 - (i) alter or amend in any way its constating documents as the same exist at the date of this Agreement;
 - (j) take any action which would be outside the Ordinary course of business or which may result in a material adverse change in its affairs including, without limiting the generality of the foregoing, the entering into of any employment, consultancy or severance agreements or other arrangements with any of its directors or officers;
 - (k) sell, pledge, lease, dispose of, grant any interest in, encumber or agree to sell, pledge, lease, dispose of, grant any interest in or encumber any material component of its assets;
 - (l) engage in any business enterprise or other activity materially different from that carried on or intended to be carried on as at the date hereof;
 - (m) enter into any employment or consulting arrangements or any transaction with or make payments to a party or parties with which it does not deal at arm's length; or
 - (n) grant any director, officer or employee who has a policy-making function any increase in compensation or in severance or termination pay (whether or not such compensation or pay is payable in cash), or enter into any employment or consulting agreement with any such director, officer or employee, or hire or promote any such person.

4.2 **Further Covenants of Newport**

Newport covenants and agrees with Sparta, from the date of execution of this Agreement to use their commercially reasonable efforts to cause Newport to:

- (a) use all commercially reasonable efforts to obtain all necessary consents, assignments or waivers from third parties and amendments or terminations to any instrument or agreement and take such other measures as may be necessary to fulfil its obligations under and to carry out the transactions contemplated by this Agreement;
- (b) furnish promptly to Sparta a copy of each notice, report, schedule or other document received by it in connection with the issuance of the Newport Debt;
- (c) make other necessary filings and applications under applicable federal and provincial laws and regulations required on the part of it in connection with the transactions contemplated herein, and take all reasonable action necessary to be in compliance with such laws and regulations;
- (d) use all commercially reasonable efforts to conduct its affairs so that all of its representations and warranties contained herein shall be true and correct on and as of the Closing Date as if made on the Closing Date, except to the extent that such representations and warranties require modification to give effect to the transactions contemplated herein;
- (e) within five Business Days of receiving any written audit inquiry, assessment, reassessment, confirmation or variation of an assessment, indication that an assessment is being considered, request for filing of a waiver or extension of time or any other notice in writing relating to Taxes, interest, penalties, losses or Tax pools (an "Assessment"), deliver to Sparta a copy thereof together with a statement setting out, to the extent then determinable, an estimate of the obligations, if any, of it on the assumption that such Assessment is valid and binding;
- (f) use all commercially reasonable efforts to cause each of the conditions precedent set forth in Sections 7.1 and 8.1 hereof to be complied with; and
- (g) notify Sparta immediately upon becoming aware that any of the representations and warranties of Newport contained herein are no longer true and correct in any material respect.

4.3 **Covenants of Sparta**

Sparta covenants and agrees with Newport and the Vendors that it will not from the date of execution hereof to and including the Closing Date, except as contemplated by this Agreement or with the prior written consent of Newport such consent not to be unreasonably withheld:

- (a) declare, pay or set aside any dividends or provide for any distribution of its properties or assets, or make any payment by way of return of capital, to its shareholders;
- (b) split, combine or reclassify any outstanding shares;
- (c) enter into any contracts, other than in connection with the matters contemplated by this Agreement;
- (d) redeem, purchase or offer to purchase any of its shares or other securities;

- (e) reorganize, amalgamate or merge with any other Person or other business organization whatsoever;
- (f) acquire or agree to acquire (by merger, amalgamation, acquisition of securities or assets or otherwise), directly or indirectly, any Person or other business organization or division, or any assets or properties including but not limited to securities of other companies;
- (g) incur or commit to incur any indebtedness for borrowed money, or issue any debt securities other than what has been previously disclosed to Newport;
- (h) issue or commit to issue any shares of its capital stock, or rights, warrants or options to purchase such shares, or any securities convertible into such shares, warrants or options, other than in connection with the exercise of the Sparta Options;
- (i) except as contemplated by this Agreement, alter or amend in any way its constituting documents or by-laws as the same exist at the date of this Agreement;
- (j) take any action which would be outside the Ordinary course of business or which may result in a material adverse change in the affairs of Sparta including, without limiting the generality of the foregoing, the entering into of employment, consultancy or severance agreements or other arrangements with any director or officer of Sparta;
- (k) engage in any business or other activity whatsoever, other than to complete the transactions contemplated herein or to comply with the requirements to maintain its status as a reporting issuer and the listing of the Sparta Common Shares on NEX;
- (l) enter into any transaction with or make payments to a party or parties with whom Sparta does not deal at arm's length, other than in the Ordinary course of business consistent with past practice;
- (m) grant any director, officer or employee who has a policy-making function any increase in compensation or in severance or termination pay (whether or not such compensation or pay is payable in cash), or enter into any employment or consulting agreement with any such director, officer or employee, or hire or promote any such person; or
- (n) sell, pledge, lease, dispose of, grant any interest in, encumber or agree to sell, pledge, lease, dispose of, grant any interest in or encumber any of its assets.

4.4 **Further Covenants of Sparta**

Sparta further covenants and agrees with Newport that it will:

- (a) use all commercially reasonable efforts to obtain all necessary consents, assignments or waivers from third parties and amendments or terminations to any instrument or agreement and take such other measures as may be necessary to fulfil its obligations under and to carry out the transactions contemplated by this Agreement;
- (b) except for proxies and other non-substantive communications with security holders, furnish to Newport a copy of each notice, report, schedule or other document delivered, filed or received by Sparta in connection with any dealings with regulatory agencies in connection with the transactions contemplated herein;

- (c) make other necessary filings and applications under applicable federal and provincial laws and regulations required on the part of Sparta in connection with the transactions contemplated herein, and take all reasonable action necessary to be in compliance with such laws and regulations;
- (d) use all commercially reasonable efforts to conduct its affairs so that Sparta's representations and warranties contained herein shall be true and correct on and as of the Closing Date as if made on the Closing Date, except to the extent that such representations and warranties require modification to give effect to the transactions contemplated herein;
- (e) use all commercially reasonable efforts to cause each of the conditions precedent set forth in Sections 9.1 and 9.2 hereof to be complied with;
- (f) subject to the satisfaction of the conditions precedent in Sections 7.1 and 8.1 hereof, thereafter file and such other documents as may be required to give effect to the Amalgamation and the issuance of the Certificate of Amalgamation on or before the Termination Date; and
- (g) notify Newport immediately upon becoming aware that any of the representations and warranties of Sparta contained in Section 6.1 hereof are no longer true and correct in any material respect.

5. **Vendors' Representations and Warranties**

- 5.1 In order to induce the Purchaser to enter into and consummate this Agreement, each of the Vendors represent and warrant severally on their own behalf (not jointly and severally) in favour of the Purchaser as follows:
- (a) the Vendor is the legal and registered beneficial owner of the number of Newport Common Shares indicated opposite the name of the Vendor in Schedule "A" hereto, or the Vendor is a trustee with absolute authority to sell the Shares as contemplated herein, and such Newport Common Shares are free of any liens, claims, charges, security interests or encumbrances of any kind whatsoever;
 - (b) the Vendor has the requisite power, capacity and authority to enter into this Agreement (and all other agreements and documents required to be delivered hereunder) on the terms and conditions herein set forth and to transfer the legal and beneficial title and ownership of the number of Newport Common Shares indicated opposite the name of the Vendor on Schedule "A" hereto to the Purchaser as contemplated herein, and the transfer of legal and beneficial title and ownership of such Newport Common Shares to the Purchaser has been duly authorized;
 - (c) this Agreement, when executed and delivered by the Vendor and Newport and when duly and properly executed and delivered by the Purchaser and/or the other parties thereto, will be a valid and binding agreement and obligation, enforceable against the Vendor in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights generally and subject to general principles of equity;
 - (d) except as provided in this Agreement, no Person, other than the Purchaser, has any agreement, option or right to purchase or acquire, or capable of becoming an agreement for the purchase or acquisition of, the number of the Newport Common Shares indicated opposite the name of the Vendor on Schedule "A" hereto;

- (e) the execution and delivery of this Agreement and the consummation of the transactions contemplated herein will not, as a result of the Vendor's involvement, violate nor be in conflict with any provision of any material agreement or instrument to which the Vendor is a party or is bound or any judgment, decree, order, statute, rule or regulation applicable to the Vendor and no authorizations, approvals or consents are required for the consummation of the transaction contemplated herein by the Vendor;
- (f) there are no actions, suits, proceedings or claims existing or, to the best of the knowledge, information and belief of the Vendor, pending or threatened with respect to or in any manner challenging ownership of any of or which might reasonably be expected to result in a material impairment or loss of the number of Newport Common Shares indicated opposite the name of the Vendor on Schedule "A" hereto, or which might prohibit or restrict the sale of any of such Newport Common Shares;
- (g) the Vendor is not an "insolvent person" within the meaning of the BIA, and has not committed an act of bankruptcy as described in the BIA; and
- (h) the Vendor has not incurred any obligation or liability, contingent or otherwise, for broker's or finder's fees in respect of the transaction contemplated by this Agreement.

5.2 Additional Representations and Warranties

Newport represents and warrants, to and in favour of Sparta as follows, and acknowledges that Sparta is relying upon such representations and warranties:

- (a) Newport is a corporation duly incorporated under the laws of the Province of Ontario and is a valid and subsisting corporation under the laws of the Province of Ontario and is in compliance, in all material respects, with the requirements of the laws of the Province of Ontario;
- (b) Newport has no subsidiaries and holds no interest in any other company, partnership, joint venture or similar entity;
- (c) the authorized capital of Newport consists of an unlimited number of Class A and Class B common shares and an unlimited number of Class C, D, E, F and G preferred shares of which only 62,000,000 Newport Class A common shares and no preferred shares are issued and outstanding as at the date hereof;
- (d) there is no suit, action, litigation, arbitration proceeding or governmental proceeding, including appeals and applications for review, in progress, or, to the knowledge of Newport, pending or threatened against or relating to Newport, or affecting its properties or business which if determined adversely to Newport might materially and adversely affect the properties, business, future prospects or the financial condition of Newport, taken as a whole, or the right of Newport to use, produce or sell its property or assets in whole or in part and there is not presently outstanding against Newport any material judgment, decree, injunction, rule or order of any court, governmental department, commission, agency or arbitrator;
- (e) Newport was incorporated on May 30, 2014 and has not yet been required to file tax returns. Since Newport's inception, Newport has not incurred any taxes, assessments or governmental charges other than in the Ordinary course of business and Newport has made adequate provisions on its books of account for all taxes, assessments and governmental charges with respect to its business, properties and operations for such period;

- (f) no consent, approval, order or authorization of, or registration, declaration or filing with, any third party or governmental entity is required by or with respect to Newport in connection with the execution and delivery of this Agreement by Newport, the performance of its obligations hereunder or the consummation by Newport of the transactions contemplated hereby other than: (a) such registrations and other actions required under provincial and territorial securities laws as are contemplated by this Agreement; and (b) any other consents, approvals, orders, authorizations, registrations, declarations or filings which, if not obtained or made, would not, individually or in the aggregate, have a material adverse effect on Newport or prevent or materially impair Newport's ability to perform its obligations hereunder;
- (g) Newport is duly licensed, registered and qualified, in all material respects, and possesses all material certificates, authorizations, permits or licences issued by the appropriate regulatory authorities in the jurisdictions necessary to enable its business to be carried on as now conducted and to enable its property and assets to be owned, leased and operated as they are now, and all such licences, registrations and qualifications are in good standing, in all material respects;
- (h) the unaudited interim financial statements of Newport for the three months ended August 31, 2014, and the notes thereto, are true and correct and present fairly, in all material respects, the financial position of Newport as at such dates and the results of its operations and changes in financial position for the period indicated in the said statements, and have been prepared in accordance with Canadian generally accepted accounting principles;
- (i) other than amounts owing to reimburse individuals for business expenses incurred and approved on behalf of Newport, remuneration for services in the Ordinary course of business, or pursuant to the Newport Debt, Newport is not indebted to:
 - (i) any director, officer, employee or shareholder of Newport;
 - (ii) any individual related to any of the foregoing by blood, marriage or adoption; or
 - (iii) any corporation controlled, directly or indirectly, by any one or more of those Persons referred to in subsections 5.2(i)(i) and (ii) hereof;
- (j) none of those Persons referred to in subsection 5.2(i) hereof is indebted to Newport;
- (k) to the best of the knowledge of Newport, none of the directors or officers of Newport is or has ever been subject to prior regulatory, criminal or bankruptcy proceedings in Canada, the United States or elsewhere;
- (l) no Person has any written or oral agreement, option, understanding or commitment or any right or privilege capable of becoming an agreement for the purchase, exchange, transfer or other disposition from Newport of any material part of its assets;
- (m) Newport is not a party to any contracts, agreements or engagements of any director or officer of Newport, either written or verbal, providing for a fixed period of employment;
- (n) the entering into and performance of this Agreement and the transactions contemplated herein by Newport will not violate:
 - (i) the constating documents or by-laws of Newport;

- (ii) any material agreement to which Newport is a party and will not give any Person any right to terminate or cancel any material agreement or any right enjoyed by Newport because of such agreement, after notice, lapse of time or otherwise, and will not result in the creation or imposition of any material lien, encumbrance or restriction of any nature whatsoever in favour of a third party upon or against Newport or the assets of Newport; or
 - (iii) any statute, regulation, order, judgment or decree by which Newport is bound;
- (o) Newport has not incurred any obligation or liability, contingent or otherwise, for broker's, consultants or finder's fees in respect of the transactions contemplated herein;
- (p) Newport has no material liabilities, contingent or otherwise, except that which are in connection with the Newport Debt or that will be set out in the financial statements referred to in subsection 5.2(h) hereof, or, thereafter, incurred in the Ordinary course of business, Newport has not guaranteed or indemnified, or agreed to guarantee or indemnify, any debt, liability or other obligation of any Person;
- (q) there does not exist any state of facts which after notice or lapse of time, or both, will constitute a material default or breach on the part of Newport under any of the provisions contained in any of its material contracts, commitments or agreements to which it is a party;
- (r) the corporate records and minute books of Newport contain, in all material respects, complete and accurate minutes of all material decisions made at any meeting of the directors and shareholders since its date of incorporation, together with the full text of all resolutions of directors and shareholders passed in lieu of such meetings, duly signed;
- (s) Newport has good, valid and marketable title to the assets currently used in its business, free and clear of all mortgages, liens, pledges, security interests, charges, claims, restrictions, accruals and other encumbrances and defects of title of any nature whatsoever, obligations as disclosed in the financial statements of Newport referred to in subsection 5.2(h) hereof, and except as would not be material or as may have been entered into after the date of the relevant financial statements in the Ordinary course of business;
- (t) Newport is not a party to, and has no obligations under, any collective bargaining agreement, and, to the knowledge of Newport, there is no organizing activity involving Newport pending or threatened by any labour union or group of employees and there are no representation proceedings pending or threatened with any governmental authority having jurisdiction over the business of Newport, and no labour organization or group of employees of Newport have made a pending demand for recognition;
- (u) except for rights otherwise available for employees of Newport at common law or by statute or as disclosed in the audited financial statements of Newport, there is presently no material plan in place for retirement bonus, pension benefits, unemployment benefits, deferred compensation, service or termination pay or vacation that is contributed to or required to be continued to, by Newport for the benefit of any current or former director, senior officer, or consultant of Newport;
- (v) Newport has no secured indebtedness, other than the Newport Debt;
- (w) except to the extent that any violation or other matter referred to in this subparagraph does not have a material adverse effect on Newport;

- (i) Newport is not in violation of any applicable federal, provincial, municipal or local laws, regulations, orders, government decrees or ordinances with respect to environmental, health or safety matters (collectively, "**Environmental Laws**");
 - (ii) Newport has never received, handled, used, stored, treated, shipped or disposed of any hazardous or toxic substances, contaminants or wastes;
- (x) the execution and delivery of this Agreement and the completion of the transactions contemplated herein have been, or in respect of the transactions contemplated herein will have been prior to Closing, approved by the board of directors of Newport and this Agreement constitutes a valid and binding obligation of Newport enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights generally and subject to general principles of equity;
- (y) other than as contemplated herein, and except as required after the Acquisitions in respect of new tax and registration numbers, no notices, reports or other filings are required to be made by Newport with, nor are any consents, registrations, approvals, permits or authorizations required to be obtained by Newport from, any governmental or regulatory authority in connection with the execution and delivery of this Agreement by Newport and the consummation of the transactions contemplated herein by Newport, the failure to make or obtain any or all of which is reasonably likely to have a material adverse effect on the financial condition of Newport or could prevent, materially delay or materially burden the transactions contemplated herein;
- (z) Newport is not a party to any material contract, agreement or understanding with any officer, director, employee, shareholder or any other Person not dealing at arm's length with Newport,;
- (aa) Newport maintains a system of internal accounting controls sufficient to provide reasonable assurances that: (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit the preparation of financial statements in conformity with Canadian generally accepted accounting principles and to maintain accountability for assets; (iii) access to its assets is permitted only in accordance with management's general or specific authorization; (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to differences; and (v) material information relating to Newport is made known to those within Newport responsible for the preparation of the financial statements during the period in which the financial statements have been prepared;
- (bb) although it does not warrant title, Newport has no reason to believe it does not own or have the right to use all of the patents (pending or otherwise), patent rights, licenses, permits, consents, registrations, inventions, copyrights, trademarks, service marks and trade names and, to the best of its knowledge, know-how (including trade secrets and other uncopyrighted, unpatented or unpatentable proprietary or confidential information, systems or procedures) and other intellectual property of any nature whatsoever (collectively, the "**Intellectual Property**") which are necessary for the lawful conduct of its business as now conducted or presently proposed to be conducted. No royalty or other fee is required to be paid by Newport to any Person in respect of the use of any of the Intellectual Property. To the knowledge of Newport, no employee of Newport is in violation of any term or any non-disclosure, proprietary rights or similar agreement between such employee and Newport or between such employee and any former employer. To the knowledge of Newport, all technical information

developed by and belonging to Newport material to the Intellectual Property, which has not been copyrighted or patented, has been kept confidential. To the knowledge of Newport, none of the directors, officers, employees or principal shareholders of Newport or related parties thereto, owns any trade-marks, trade-names, patents, copyrights or other intellectual property rights used by Newport and, if they ever owned such intellectual property rights, they have transferred all such rights to Newport and have not licensed same to any person, other than Newport. Each of the directors, officers and employees of Newport has waived all of its moral rights, if any, in Newport's works in which copyright subsist;

- (cc) there are no material restrictions on the ability of Newport to use and exploit all rights in the Intellectual Property required in the Ordinary course of Newport's business. None of the rights of Newport in the Intellectual Property will be impaired or affected in any way by the transactions contemplated by this Agreement;
 - (dd) to the best of Newport's knowledge: (a) there are no rights of third parties to the Intellectual Property; (b) there is no infringement by third parties of any such Intellectual Property; (c) there is no pending or threatened action, suit, proceeding or claim by others against Newport challenging Newport's rights in or to any such Intellectual Property, and Newport is unaware of any facts which, to Newport's knowledge, would form a reasonable basis for any such claim; (d) there is no pending or threatened action, suit, proceeding or claim by others against Newport challenging the validity or scope of any such Intellectual Property, and Newport is unaware of any facts which, to its knowledge, would form a reasonable basis for any such claim; (e) there is no pending or threatened action, suit, proceeding or claim by others against Newport asserting that Newport infringes or otherwise violates, or would infringe or otherwise violate any patent, trademark, copyright, trade secret or other proprietary rights of others, and Newport is unaware of any facts which, would form a reasonable basis for any such claim; (f) there is no patent or patent application which contains valid claims that dominate any Intellectual Property that is necessary for the conduct of its principal business as currently conducted or currently contemplated to be conducted or that interferes with the issued claims of any such Intellectual Property; and (g) there is no prior act of which Newport is aware that may render any patent held by Newport invalid or any patent application held by Newport unpatentable which has not been disclosed to the applicable patent-issuing authority;
 - (ee) Newport has performed all of the material obligations required to be performed by it and is entitled to all benefits under, and is not alleged to be in default of any agreement granting it any rights in and to the Intellectual Property Rights; and
 - (ff) the working capital of Newport as at the date hereof is approximately CDN \$300,000.
- 5.3 Except as otherwise stated, all representations and warranties of Newport and the Vendors and contained in Sections 5.1 and 5.2 hereof shall be true as at the date hereof and the Time of Closing. Notwithstanding any investigations or inquiries made by the Purchaser prior to Closing, the representations, warranties, and covenants of Newport and the Vendors contained in this Agreement shall survive the Closing Date and, notwithstanding the Closing of the purchase and sale herein provided for, shall continue in full force and effect for a period of eighteen (18) months following the Closing Date.

6. **Representations and Warranties of the Purchaser**

- 6.1 In order to induce Newport and the Vendors to enter into and consummate this Agreement, the Purchaser represents and warrants in favour of the Vendors as follows:
- (a) Sparta is a corporation duly incorporated under the laws of Alberta and is a valid and subsisting corporation under the ABCA and is in compliance, in all material respects, with the requirements of the ABCA;
 - (b) Sparta has no subsidiaries and holds no interest in any other company, partnership, joint venture or similar entity;
 - (c) Sparta is a "reporting issuer" as that term is defined in the applicable securities legislation in the Provinces of Alberta, and British Columbia, is not in default of the requirements of such legislation or the regulations and rules thereto or the policies and requirements of NEX(including, without limitation the Policy), and the issued and outstanding Sparta Common Shares are currently listed and posted for trading on NEX;
 - (d) no cease trade order has been issued against Sparta or the Sparta Common Shares in any jurisdiction, and, to the knowledge of Sparta, no cease trade order is pending or threatened;
 - (e) Sparta has the requisite power, capacity and authority to enter into this Agreement on the terms and conditions herein set forth;
 - (f) the authorized capital of Sparta consists of an unlimited number of common shares and an unlimited number of preferred shares, issuable in series, of which 62,530,140 Sparta Common Shares and no preferred shares are issued and outstanding;
 - (g) except for the Sparta Options and Sparta Warrants, or pursuant to the Acquisitions, no Person has any agreement, option, understanding, warrant, call, conversion or exchange right to acquire or capable of becoming an agreement for the purchase, issue or acquisition of any of the unissued share capital of Sparta, or any other securities of Sparta;
 - (h) there is no suit, action, litigation, arbitration proceeding or governmental proceeding, including appeals and applications for review, in progress, pending or, to the knowledge of Sparta, threatened against or relating to Sparta or affecting its properties or business which if determined adversely to Sparta might materially and adversely affect the properties, business, future prospects or the financial condition of Sparta, or the right of Sparta to use, produce or sell its property or assets in whole or in part or its ability to perform its obligations under this agreement. There is not presently outstanding against Sparta any judgment, injunction, rule or order of any court, governmental department, commission, agency or arbitrator;
 - (i) Sparta is a taxable Canadian corporation as defined in the *Income Tax Act* (Canada) and is not liable, for any Canadian federal, provincial, municipal or any Taxes due and unpaid at the date hereof, or for the payment of any tax instalment due in respect of its current taxation year (but not including Taxes accruing due) or any previous taxation years, and no such Taxes are required to be reserved against. All such Taxes have been properly calculated by Sparta, in all material respects. Sparta is not in default in filing any returns or reports covering any Taxes and Sparta has complied with all withholding, collection, remittance and other obligations under any applicable taxing statute;

- (j) Sparta has not experienced nor, to the knowledge of Sparta, is it aware of any occurrence or event which has had, or might reasonably be expected to have, a materially adverse effect on its affairs or financial condition;
- (k) the entering into and performance of this Agreement and the transactions contemplated herein by Sparta will not violate:
 - (i) the constating documents or by-laws of Sparta;
 - (ii) any agreement to which Sparta is a party and will not give any Person any right to terminate or cancel any agreement or any right enjoyed by Sparta because of such agreement, after notice, lapse of time or otherwise, and will not result in the creation or imposition of any lien, encumbrance or restriction of any nature whatsoever in favour of a third party upon or against Sparta or the assets of Sparta; or
 - (iii) any statute, regulation, by-law, order, judgment, or decree by which Sparta is bound;
- (l) Sparta has not incurred any obligation or liability, contingent or otherwise, for broker's fees, commissions or finder's fees or other similar fees in respect of the transactions contemplated herein;
- (m) Since June 30, 2014, there has not been any material adverse change in the condition or operation of Sparta or in its assets, liabilities or financial condition;
- (n) the audited financial statements of Sparta for the period ended September 30, 2013 and the unaudited financial statements of Sparta for the period ended June 30, 2014, as well as the notes thereto, are true and correct and present fairly, in all material respects, the financial position of Sparta as at such dates and the results of its operations and changes in financial position for the periods indicated in the said statements, and have been prepared in accordance with Canadian generally accepted accounting principles applied on a basis consistent with that of prior periods;
- (o) Sparta has no material liabilities, contingent or otherwise, except those set out in the financial statements referred to in subsection 6.1(n) hereof or as otherwise previously disclosed to Newport, and Sparta has not guaranteed or indemnified, or agreed to guarantee or indemnify, any debt, liability or other obligation of any Person, other than as expressly provided in this Agreement;
- (p) other than as disclosed in the financial statements of Sparta, Sparta is not indebted to:
 - (i) any director, officer or shareholder of Sparta;
 - (ii) any individual related to any of the foregoing by blood, marriage or adoption; or
 - (iii) any corporation controlled, directly or indirectly, by any one or more of those Persons referred to in subsections 6.1(p)(i) and (ii) hereof;
- (q) none of those Persons referred to in subsection 6.1(p) hereof is indebted to Sparta;
- (r) no Person has any written or oral agreement, option, understanding or commitment or any right or privilege capable of becoming an agreement for the purchase, exchange, transfer or other disposition from Sparta of any of its assets;

- (s) the execution and delivery of this Agreement and the completion of the transactions contemplated herein have been, or in respect of the transactions contemplated herein will have been prior to Closing, duly approved by the board of directors of Sparta and this Agreement constitutes a valid and binding obligation of Sparta enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights generally and subject to general principles of equity;
 - (t) no notices, reports or other filings are required to be made by Sparta with, nor are any consents, registrations, approvals, permits or authorizations required to be obtained by Sparta from, any governmental or regulatory authority, other than NEX, and the usual filings under applicable Canadian securities laws, in connection with the execution and delivery of this Agreement by Sparta and the consummation of the transactions contemplated herein by Sparta, the failure to make or obtain any or all of which is reasonably likely to have a material adverse effect on the financial condition of Sparta or could prevent, materially delay or materially burden the transactions contemplated by this Agreement;
 - (u) since the date Sparta became a reporting issuer, Sparta has filed any and all required forms, reports documents (collectively, the "**Sparta Public Disclosure**") with the applicable Canadian regulatory authorities having jurisdiction. None of the Sparta Public Disclosure filed by Sparta with the applicable Canadian securities regulatory authorities having jurisdiction, at the time filed or as subsequently amended, contained any misrepresentation or any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading;
 - (v) there does not exist any state of facts which after notice or lapse of time, or both, will constitute a default or breach on the part of Sparta under any of the provisions contained in any of its material contracts, commitments or agreements;
 - (w) there are no contracts, agreements or engagements, either oral or written, providing for a fixed period of employment of any director or officer of Sparta;
 - (x) the corporate records and minute books of Sparta contain complete and accurate minutes of all meetings of the directors and shareholders since its date of incorporation, together with the full text of all resolutions of directors and shareholders passed in lieu of such meetings, duly signed;
 - (y) the working capital deficiency of Sparta as at September 30, 2014, net of liabilities incurred to September 30, 2014, was approximately \$301,134;
 - (z) to the best of the knowledge of Sparta, none of the directors, officers or principal shareholders of Sparta is or has ever been subject to prior regulatory, criminal or bankruptcy proceedings in Canada or elsewhere; and
 - (aa) upon completion of the transactions contemplated herein, the Sparta Common Shares to be issued pursuant to the Newport Share Acquisition will be issued as fully paid and non-assessable securities in the capital of Sparta.
- 6.2 Except as otherwise stated, all representations and warranties by the Purchaser contained in Section 6.1 shall be true as at the date hereof and the Time of Closing. Notwithstanding any investigations or inquiries made by Newport or the Vendors prior to Closing, the representations,

warranties, and covenants of the Purchaser contained in this Agreement shall survive the Closing Date and, notwithstanding the Closing of the purchase and sale herein provided for, shall continue in full force and effect for a period of eighteen (18) months following the Closing Date.

7. **Mutual Conditions Precedent**

7.1 The respective obligations of the parties hereto to consummate the transactions contemplated herein are subject to the satisfaction, on or before the Closing Date, of the following conditions any of which may be waived by the mutual consent of such parties without prejudice to their rights to rely on any other or others of such conditions:

- (a) there shall not exist any prohibition at law against the completion of the Newport Share Acquisition;
- (b) the securities of Sparta to be issued upon the completion of the Newport Share Acquisition shall have been accepted for listing by NEX, subject to Sparta fulfilling NEX's usual and ordinary listing requirements;
- (c) NEX shall have granted conditional approval to the Newport Share Acquisition on terms acceptable to the parties acting reasonably;
- (d) the Employment Agreements shall have been entered into;
- (e) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement;
- (f) the Vendors will have appointed two (2) new directors to the Sparta board of directors, in substitution for two (2) existing Sparta directors;
- (g) all consents, orders and approvals, including, without limitation, regulatory approvals, required or necessary or desirable for the completion of the transactions provided for in this Agreement shall have been obtained or received from the persons, authorities or bodies having jurisdiction in the circumstances, all on terms satisfactory to each of the parties hereto, acting reasonably; and
- (h) this Agreement shall not have been terminated in accordance with Section 11.1 of this Agreement.

8. **Conditions Precedent for the Purchaser**

8.1 All obligations of the Purchaser under this Agreement are subject to the fulfilment, prior to or at Closing, of each of the following conditions:

- (a) the representations and warranties of Newport and the Vendors set forth in this Agreement shall be true and correct as of the date of this Agreement and shall be true and correct in all material respects as of the Closing Date as if made by the Newport and the Vendors at that time, and each of Newport and the Vendors shall deliver to the Purchaser at Closing certificates to such effect dated on the Closing Date;
- (b) Newport and the Vendors shall have performed and satisfied, in all material respects, all covenants required by this Agreement to be performed and satisfied prior to the Closing Date, and each of Newport and the Vendors shall deliver to the Purchaser at Closing a certificate to such effect dated on the Closing Date;

- (c) at the Time of Closing, no action or proceeding shall have been instituted or threatened by any Person before any court or governmental agency to obtain damages in respect of this Agreement or to restrain or prohibit the consummation of the transactions contemplated herein;
 - (d) the Purchaser shall have been provided with copies of any consents necessary and appropriate to give effect to the transactions contemplated herein;
 - (e) the Vendors shall have provided to the Purchaser the certificates representing the Newport Common Shares, duly endorsed for transfer to the Purchaser, as well as a certified copy of a resolution of the directors of Newport approving such transfer;
 - (f) there shall not have occurred any material adverse changes, adverse change of material fact or any development that could result in a material adverse change or adverse change of material fact or any development that could result in a material adverse effect on the business, financial results, operations or affairs of Newport;
 - (g) there shall be no material actions, suits or proceedings, whether or not purportedly on behalf of Newport, outstanding, pending or threatened by or against Newport at law or in equity or before or by any federal, state, municipal or other governmental department, commission, bureau, agency or instrumentality;
 - (h) Newport's total issued and outstanding share capital, on a fully-diluted basis, shall not exceed 62,500,000 Newport Common Shares;
 - (i) each of the acts and undertakings of Newport and the Vendors to be performed on or before the Closing Date pursuant to the terms of this Agreement shall have been duly performed by Newport and the Vendors; and
 - (j) Newport shall have furnished Sparta with:
 - (i) certified copies of the resolutions passed by the board of directors of Newport approving this Agreement, as well as the consummation of the transactions contemplated herein; and
 - (ii) a balance sheet as at the Closing Date showing the working capital of Newport, of not less than CDN \$300,000.
- 8.2 The conditions set out in Section 8.1 hereof are inserted for the exclusive benefit of the Purchaser and may be waived by it in whole or in part. Such waiver will only be effective if in writing.

9. **Conditions Precedent for the Vendors**

- 9.1 All obligations of the Vendors under this Agreement are subject to the fulfilment, prior to or at Closing, of each of the following conditions:
- (a) the representations and warranties of the Purchaser set forth in this Agreement shall be true and correct as of the date of this Agreement and shall be true and correct in all material respects as of the Closing Date as if made by the Purchaser again at that time, and the Purchaser shall deliver to the Vendors at Closing a certificate of an officer of the Purchaser to such effect dated on the Closing Date;

- (b) the Purchaser shall have performed and satisfied, in all material respects, all covenants required by this Agreement to be performed and satisfied prior to the Closing Date, and the Purchaser shall deliver to the Vendors at Closing a certificate to such effect dated on the Closing Date;
- (c) at the Time of Closing, no action or proceeding shall have been instituted or threatened by any person or entity before any court or governmental agency to obtain damages in respect of this Agreement or to restrain or prohibit the consummation of the transactions contemplated herein;
- (d) the Vendors shall have received a certified copy of a directors resolution of the Purchaser approving the issuance of the Sparta Common Shares to the Vendors;
- (e) there shall have been no material adverse change in the business, affairs, assets, liabilities, financial conditions, operations or prospects of the Purchaser since September 30, 2014;
- (f) each of the acts and undertakings of Sparta to be performed on or before the Closing Date pursuant to the terms of this Agreement shall have been duly performed by Sparta;
- (g) Sparta shall have furnished the Vendors with:
 - (i) certified copies of the resolutions passed by the board of directors of Sparta approving this Agreement and the consummation of the transactions contemplated herein;
 - (ii) a conditional approval letter from NEX approving the Newport Share Acquisition; and
 - (iii) a certificate of the Registrar and Transfer Agent confirming the number of issued and outstanding Sparta Common Shares;
- (h) Sparta shall have no liabilities (absolute, contingent, accrued or otherwise) at the time of Closing, other than those disclosed in the financial statements of Sparta incurred in compliance with Sparta's covenants herein, and legal fees or sponsorship fees and other amounts accrued in connection with the completion of the Newport Share Acquisition and other than those such liabilities that have been previously disclosed to Newport; and
- (i) the existing management team of Sparta will have resigned in favour of the current management team of Newport.

9.2 The foregoing conditions in Section 9.1 are inserted for the exclusive benefit of the Vendors and may be waived by the Vendors in whole or in part. Such waiver will only be effective if in writing.

10. Closing

- 10.1 It is anticipated that the transactions contemplated by this Agreement shall be closed at the offices of Burstall Winger Zammit LLP, Barristers & Solicitors, Suite 1600, Dome Tower, 333 – 7th Avenue S.W., Calgary, Alberta T2P 2Z1, on October 31, 2014, at the hour of 10:00 a.m. (Calgary time) on such date, or such other place or date as the Purchaser and the Vendors may agree, but in any event no later than November 20, 2014 which date is referred to herein as the “Date of

"Closing" and "Closing Date" and which time is referred to herein as "Closing" and "Time of Closing".

11. **Rights of Termination and Notice of Unfulfilled Conditions**

11.1 If any of the conditions contained in Sections 7.1, 8.1 and 9.1 hereof shall not be fulfilled or performed (the "Termination Date") and such condition is contained in:

- (a) Section 7.1 hereof, either of the parties hereto may terminate this Agreement by notice to the other party;
- (b) Section 8.1 hereof, the Vendors may elect to waive such condition by notice in writing to Sparta or the Vendors may terminate this Agreement by notice to Sparta; or
- (c) Section 9.1 hereof, Sparta may elect to waive such condition by notice in writing to Newport and the Vendors or Sparta may terminate this Agreement by notice to Newport and the Vendors.

If this Agreement is terminated as aforesaid, the party terminating this Agreement shall be released from all obligations under this Agreement, all rights of specific performance against such party shall terminate and, unless such party can show that the condition or conditions the non-performance of which has caused such party to terminate this Agreement were reasonably capable of being performed by the other party, then the other party shall also be released from all obligations hereunder; and further provided that any of such conditions may be waived in full or in part by either of the parties without prejudice to its rights of termination in the event of the non-fulfillment or non-performance of any other condition.

11.2 If any of the parties hereto shall determine at any time prior to the Closing Date that it intends to refuse to consummate the transactions contemplated hereby because of any unfulfilled or unperformed condition contained in this Agreement on the part of the other of them to be fulfilled or performed, any of the parties hereto, as the case may be, shall so notify the others of them forthwith upon making such determination in order that such other of them shall have the right and opportunity to take such steps, at its own expense, as may be necessary for the purpose of fulfilling or performing such condition within a reasonable period of time, but in no event later than the Termination Date.

11.3 This Agreement may, at any time, but no later than immediately preceding the Closing Date, be terminated by mutual agreement of the parties hereto without further action.

12. **Stand Still Agreement and Disclosure of Alternative Transaction**

12.1 As long as this Agreement is in effect and except as contemplated herein, neither Sparta, Newport or the Vendors (including their respective directors, officers and agents) will solicit any discussions, expressions of interest, proposals or accept any offers from any Person relating to a possible merger, amalgamation, arrangement or relating to the sale of substantially all of the shares or assets, or any controlling equity interest of Sparta or Newport, as applicable, provided however that the board of directors of Sparta and Newport, as applicable, may take action or refrain from taking action as is appropriate to satisfy applicable fiduciary duties and further provided that Sparta and Newport (including their directors, officers and agents) may solicit and accept offers if the transactions contemplated herein are not completed on or before the Termination Date.

- 12.2 In the event either Newport, Sparta or the Vendors shall receive an unsolicited proposal, offer or expression of interest in connection with any of those matters referred to in Section 12.1 hereof on or before the Termination Date, the recipient of such proposal, offer or expression of interest shall notify the other parties hereto and shall provide details of such proposal, offer or expression of interest to the other parties hereto.

13. **Indemnification**

- 13.1 From and after the Closing, Newport and the Vendors shall severally, and not jointly and severally, reimburse, indemnify and hold harmless the Purchaser, its officers, directors, agents, consultants and advisors (each such Person and its successors and assigns is referred to herein as a **"Purchaser Indemnified Party"**) against and in respect of:
- (a) any and all damages, losses, settlement payments, deficiencies, liabilities, costs and expenses suffered, sustained, incurred or required to be paid by any Purchaser Indemnified Party because of or that result from, relate to or arise out of the untruth, inaccuracy or breach of, or the failure to fulfil, any representation, warranty, agreement or covenant of Newport and the Vendors contained in this Agreement or in any other agreement entered into in connection with the transactions contemplated herein to which Newport and the Vendors are a party or in any certificate furnished to the Purchaser by the Vendors in connection herewith;
 - (b) any and all actions, suits, claims, proceedings, investigations, demands, assessments, audits, fines, judgments, costs and other expenses (including without limitation reasonable legal fees and expenses) incident to any of the foregoing or to the enforcement of this Section 13.1.
- 13.2 From and after the Closing, the Purchaser shall reimburse, indemnify and hold harmless Newport, its officers, directors, agents, consultants and advisors, the Vendors and their respective agents and advisors (each such person and its successors and assigns is referred to herein as a **"Vendor Indemnified Party"**) against and in respect of:
- (a) any and all damages, losses, settlement payments, deficiencies, liabilities, costs and expenses suffered, sustained, incurred or required to be paid by any Vendor Indemnified Party because of or that result from, relate to or arise out of the untruth, inaccuracy or breach of, or the failure to fulfil, any representation, warranty, agreement, covenant or statement of the Purchaser contained in this Agreement, in any other agreement entered into in connection with the transactions contemplated herein to which the Purchaser is a party or in any certificate furnished to Newport or the Vendors by the Purchaser in connection herewith; and
 - (b) any and all actions, suits, claims, proceedings, investigations, demands, assessments, audits, fines, judgments, costs and other expenses (including without limitation reasonable legal fees and expenses) incident to any of the foregoing or to the enforcement of this Section 13.2.
- 13.3 Notwithstanding the foregoing, the Vendors shall not be required to indemnify the Purchaser, and the Purchaser shall not be entitled to recover from the Vendors, any amount for any losses described in Section 13.1, until and unless the amount which the Purchaser is entitled to recover in respect of the losses exceeds, in the aggregate, an amount equal to \$75,000 (the **"Deductible"**), following which the Purchaser will be entitled to recover the amount of any such claims in excess of \$75,000.
- 13.4 The maximum aggregate amount recoverable by the Purchaser, in respect of any losses under Section 13.1 incurred by the Purchaser from a Vendor shall be an amount equal to the lesser of such Vendor's pro rata share (calculated based on the Vendor's percentage ownership of

Newport) of such losses and the amount of the Purchase Price (inclusive of all legal fees and disbursements) paid to such Vendor, and in no event shall such Vendor be liable for any losses in excess of such amount.

- 13.5 The indemnification provided for in this Section 13 shall be the sole and exclusive remedy of the Indemnified Party (except in the case of fraud on the part of the indemnifying party), whether in contract, tort or otherwise, for all matters arising under or in connection with this Agreement and the transactions contemplated hereby, including for any inaccuracy or breach of any representation, warranty, covenant or agreement set forth herein, and the Indemnified Party hereby irrevocably waives and releases any rights to take action, institute proceedings or make any claims of any nature whatsoever against the indemnifying party, except pursuant to these **indemnification** provisions. In the event of a claim under Section 13.1, such claim shall be satisfied at the option of the Vendor, either paying cash or returning that number of Sparta Common Shares to Sparta that is equal to the amount of such claim divided by the greater of: (i) \$0.05 per share; and (ii) the fair market value of a Sparta Common Share based on the simple average of the closing price of the Sparta Common Shares for the 20 day period prior to payment of such claim.
- 13.6 Notwithstanding anything contained herein to the contrary, the amount of any losses incurred or suffered by an Indemnified Party shall be calculated after giving effect to:
- (a) any insurance proceeds received by or otherwise payable to the Indemnified Party with respect to such losses (collectively, "**Insurance Benefits**"); and
 - (b) any recoveries obtained by the Indemnified Party from any party other than the indemnifying party.
- 13.7 The Purchaser agrees to maintain the insurance coverage that a prudent operator of a **business** similar to the business carried on by Newport would maintain following Closing. Each Indemnified Party shall exercise commercially reasonable efforts to obtain such proceeds, benefits and recoveries. If any such proceeds, benefits or recoveries are received by an Indemnified Party with respect to any losses after an indemnifying party has made a payment to the Indemnified Party with respect thereto, the Indemnified Party shall pay to the indemnifying party the amount of such proceeds, benefits or recoveries (up to the amount of the Indemnifying Party's payment).
- 13.8 For greater certainty, the amount of any losses shall be reduced by the present value of the amount by which any Taxes for which the Indemnified Party or any Person affiliated therewith is now or in the future accountable or liable to be assessed is reduced or extinguished as a result of the matter giving rise to such liability, such reduction to be determined by the Parties acting reasonably.
- 13.9 Any amounts payable under the Section 13 (other than **interest**) shall be an adjustment to the Purchase Price.
14. **Notices**
- 14.1 All notices, requests, and demands hereunder shall be in writing and shall be deemed to have been duly given if delivered by hand, telecommunication or e-mail as follows:
- (a) to the Purchaser:



 [REDACTED
PURCHASER
ADDRESS]

with a copy to:

 [REDACTED
ADDRESS]

(b) to the Vendors or Newport:

 [REDACTED
ADDRESS]

and with a copy to:

 [REDACTED
ADDRESS]

or to such other address as may be given in writing by the Vendors, Newport or the Purchaser, and all notices, requests, and demands hereunder shall be deemed to have been received, if delivered, on the date of delivery and if transmitted or sent by e-mail, on the date of the transmission or e-mail.

15. General

- 15.1 This Agreement shall not be assigned without the prior written consent of all of the other parties hereto, and such consent may be arbitrarily withheld.
- 15.2 This Agreement shall enure to the benefit of and shall be binding upon the Vendors and their heirs, executors, legal representatives, successors and permitted assigns and the Purchaser and its successors and permitted assigns.
- 15.3 At Closing and thereafter as may be necessary or desirable, and without further consideration, the parties hereto shall execute, acknowledge and deliver such other instruments and shall take such other action as may be necessary to carry out their respective obligations under this Agreement.

- 15.4 This Agreement shall be, in all respects, subject to and interpreted, construed and enforced in accordance with the laws in effect in the Province of Alberta and the federal laws of Canada applicable therein. Each party hereto accepts the jurisdiction of the Courts of the Province of Alberta and attorns to their jurisdiction.
- 15.5 The parties hereto agree that each party will pay for their own respective costs incurred pursuant to this Agreement and the transactions contemplated herein, including legal and accounting, whether or not the transactions contemplated herein close.
- 15.6 Time shall be of the essence of this Agreement.
- 15.7 The terms and provisions herein contained constitute the entire agreement between the parties and shall supersede all previous oral or written communications. This Agreement may only be amended by an agreement in writing executed by all of the parties hereto.
- 15.8 This Agreement may be executed in separate counterparts, and all such executed counterparts when taken together shall constitute one (1) Agreement. The parties shall be entitled to rely on delivery of a facsimile copy or other electronic transmission of the executed Agreement and such facsimile copy or other electronic copy shall be legally effective to create a valid and binding Agreement.
- 15.9 In the event that any provision contained in this Agreement shall be declared invalid, illegal or unenforceable by a court or other lawful authority of competent jurisdiction, this Agreement shall continue in force with respect to the enforceable provisions and all rights and remedies accrued under the enforceable provisions shall survive any such declaration, and any non-enforceable provision shall to the extent permitted by law be replaced by a provision which, being valid, comes closest to the intention underlying the invalid, illegal and unenforceable provision.
- 15.10 Each of the Purchaser and Newport will provide such information as to its financial condition, operations, business, properties, title, assets and affairs (including any material contracts) as may reasonably be requested by the other party, which information not in the public domain will be kept confidential by each party (the "**Confidential Information**"). Prior to releasing any Confidential Information, the Purchaser or Newport may require the recipient of the Confidential Information to enter into a mutually acceptable confidentiality agreement. No Confidential Information may be released to third parties without the consent of the provider thereof, except that the parties hereto hereby agree that they will not unreasonably withhold such consent to the extent that such Confidential Information must be released to regulatory bodies and/or included in public documents.
- 15.11 The parties will advise each other, in advance, of any public statement which they propose to make in respect of the transaction contemplated herein, provided that no party shall be prevented from making any disclosure statement which is required to be made by law or any rule of a stock exchange or similar organization to which it is bound and in such event will advise the other parties of the public disclosure statements to be made. Upon the execution of this Agreement, the Purchaser may issue a press release if required by NEX, and Newport may, upon request, review such press release and make reasonable comments thereon prior to issuance.
- 15.12 The parties agree any and all references to dollars and dollar amounts utilized herein and not otherwise stated herein are referring to Canadian dollars as the lawful currency of Canada.

IN WITNESS WHEREOF the parties hereto have executed this Agreement to be effective as of the date first above written.

[Redacted]

"Signed"

[Redacted]

Per:

[Redacted]

Per:

[Redacted]

[Redacted]

[Redacted]

Per:

[Redacted]

Per:

[Redacted]

[Redacted]

[Redacted]

Per:

[Redacted]

Per:

[Redacted]

[Redacted]

[Redacted]

Per:

[Redacted]

[Redacted]

[Redacted]

[Redacted]

Per:

[Redacted]

[Redacted]

[Redacted]

[Redacted]

Per:

Name:

Title:

[Redacted]

Per:

Name:

Title:

[Redacted]

[WITNESS
SIGNATURES]

"Signed"

SCHEDULE "A"

Name and Address of Vendors	Number of Newport Common Shares Held	Number of Sparta Common Shares to be Received
[NAMES AND ADDRESSES OF VENDORS]	2,000,000	2,000,000
	3,450,000	3,450,000
	4,000,000	4,000,000
	3,850,000	3,850,000
	6,000,000	6,000,000
	1,400,000	1,400,000
	800,000	800,000
	600,000	600,000
	3,000,000	3,000,000
	1,000,000	1,000,000
	5,450,000	5,450,000
	11,410,000	11,410,000
	9,540,000	9,540,000
	9,500,000	9,500,000
TOTAL	62,000,000	62,000,000