SHARE PURCHASE AGREEMENT

dated

MAY 21, 2021

in respect of

THE GOURMET GHETTO FOOD LTD.

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SHARE PURCHASE AGREEMENT

THIS AGREEMENT dated effective ___________May 21____, 2021 (the "**Effective Date**") is by and among:

HAMID REZA SALIMIAN, an individual with an address at ***[Redacted]***

("**Salimian**")

AND

JENNIFER ELLEN PETERS, an individual with an address at ***[Redacted]***

("**Peters**")

AND

IVAN HSUN WANG, an individual with an address at ***[Redacted]***

("**Wang**" and together with Salimian and Peters, the "**Sellers**")

AND

VGAN BRANDS INC. a company, incorporated under the laws of the province of British Columbia with an address at 2800 - 666 Burrard Street, Vancouver, BC V6C 2Z7

(the "**Buyer**")

BACKGROUND

A. The Sellers are the legal and beneficial owners of all the issued and outstanding shares in the capital of The Gourmet Ghetto Ltd. (the "**Company**"), as set out in SCHEDULE A.

B. The Sellers have agreed to sell and the Buyer has agreed to buy all of the Sellers' legal and beneficial interest in the shares in the capital of the Company on the terms and conditions contained in this Agreement.

AGREEMENT

For good and valuable consideration, the receipt and sufficiency of which each party acknowledges, the parties agree as follows:

PART 1
INTERPRETATION

1.1 Defined Terms. In this Agreement the following terms have the following meanings:

(a) "**Act**" means the Income Tax Act, R.S.C. 1985, c.1 (5th supp.), as amended from time to time;

(b) "**Affiliate**" in respect of a Person means any other Person that, directly or indirectly, Controls, is Controlled by, or is under common Control with, such first Person;

(c) "**Agreement**" means this share purchase agreement and all schedules hereto whether attached or incorporated by reference, in each case as supplemented, amended, restated or replaced from time to time by a written agreement signed by the parties;

(d) "**Applicable Laws**" means, in respect of any Person, property, transaction, event or other matter, any present or future law, statute, regulation, code, ordinance, principle of common law or equity, municipal by-law, treaty or order, domestic or foreign, applicable to that Person, property, transaction, event or other matter and, whether or not having the force of law, all applicable requirements, requests, official directives, rules, consents, approvals, authorizations, guidelines and policies of any Governmental Authority having or purporting to have authority over that Person, property, transaction, event or other matter and regarded by such Governmental Authority as requiring compliance;

(e) “**Articles**” means, the articles of incorporation of the Company, as context requires, as same have been amended from time to time;

(f) “**Assets**” means all property or assets of any nature, whether real or personal, tangible or intangible, corporeal or incorporeal, and includes any interest in any property or assets;

(g) “**Associate**” in respect of a Person means:

(i) any other Person of which such Person is an officer, director or partner or is, directly or indirectly, the owner of 10 per cent or more of any class of equity securities issued by such other Person;

(ii) any trust or other estate in which such Person has a 10 per cent or more beneficial interest or as to which such Person serves as trustee or in a similar fiduciary capacity; or

(iii) any relative or legal or common law spouse of such Person, or any relative of such spouse who has the same home as such Person;

(h) “**Business**” means the business of the Company as carried on at the date of this Agreement being the creation, development, production, and distribution of gluten free food products;

(i) “**Business Day**” means any day which is not a Saturday, Sunday or a statutory holiday in the Province of British Columbia;

(j) “**Buyer’s Losses**” has the meaning given in Section 8.2;

(k) “**Closing**” has the meaning given in Section 9.1;

(l) “**Closing Date**” has the meaning given in Section 9.1;

(m) “**Commercially Reasonable Efforts**” means the efforts that would be taken by a prudent party but do not include extraordinary or unreasonable measures, including the payment of amounts in excess of normal and usual filing fees and processing fees or any other significant and unusual payments with respect to any contracts;

(n) “**Concurrent Financing**” means an equity financing for aggregate gross proceeds of not less than $1,000,000.00 that the Buyer intends to close concurrently with the Going Public Transaction;

(o) “**Confidential Information**” means any and all information, ideas and concepts relating to the Business, purpose or competitive interests of the Company or any of its Affiliates, including any and all (i) Intellectual Property Rights; (ii) data, databases, results, analyses, procedures, formulas, specifications, techniques, methodology and technical and scientific expertise which relate to such Person’s products or services; (iii) Business, financial, marketing, manufacturing, sales, distribution, customer, licensor, licensee and supply information; (iv) information related to such Person’s internal organization, personnel, methods and procedures, pricing, credit, technology, software, Systems, facilities, capabilities, research, development, planning and work in process; (v) personal information as defined under applicable Privacy Laws; and (vi) information which would reasonably be considered to be confidential information of such Person, whether in written, oral or electronic form and whether or not specifically identified as confidential; but does not include any:

(i) information which is in the public domain or becomes publicly available through no act or failure to act by the Company; or

(ii) information which is required to be disclosed by Applicable Law, provided that the Sellers immediately notify the Buyer of such disclosure requirement and the Buyer has the opportunity to contest or obtain a court order preventing such disclosure;

(p) "**Consideration Shares**" means the equity shares of the Buyer (or the shares of the publicly traded company received in exchange for such equity shares of the Buyer) issuable upon the conversion of the Convertible Notes;

(q) "**Control**" means, with respect to the relationship between two or more Persons, the direct or indirect possession of the power to direct or cause the direction of the affairs or management of a Person, whether through the ownership of voting securities, as trustee, personal representative or executor, by contract, credit arrangement or otherwise, including, without limitation:

(i) the right to exercise a majority of the votes which may be cast at a general meeting of a corporation; and

(ii) the right to elect or appoint, directly or indirectly, a majority of the directors of a corporation or other persons who have the right to manage or supervise the management of the affairs and business of the corporation.

(r) "**Damage**s" means, whether involving a Direct Claim or Third Party Claim, any damages (available at law or in equity), losses, liabilities, claims, demands, debts, interest, charges, fines, penalties, assessments, reassessments, judgments, Taxes, pay in lieu of notice of termination, termination pay (whether by statute or common law), severance pay, benefit continuation, benefits (including disability benefits) and damages for loss of benefits, wages (including, without limitation, vacation pay, public holiday pay, overtime pay, and time in lieu of overtime), source deductions, withholdings, statutory remittances and contributions, employer health tax, costs or expenses, including the costs and expenses of any Legal Proceeding or any order, settlement or compromise relating thereto (including the costs, fees and expenses of legal counsel on a substantial indemnity basis without reduction for tariff rates or similar reductions and all reasonable costs of investigation), but excluding any contingent liability until it becomes actual;

(s) "**Debt Adjustment**" means the amount, if any, by which the Indebtedness of the Company at Closing is greater than (i) the amount disclosed in the Financial Statements or (ii) such other amount as agreed to in writing by the Buyer;

(t) "**Direct Claim**" means any cause, thing, act, omission or state of facts not involving a Third Party Claim which entitles a Buyer's Indemnified Person to make a claim for indemnification under Section 8.2 of this Agreement;

(u) "**Employee**" means an individual employed by the Company on a full-time, part-time or temporary basis, including an employee on disability leave, parental leave or other absence;

(v) "**Encumbrance**" means, with respect to any property or asset, any mortgage, lien (including, but not limited to, any mechanic's or materialmen's lien, or Tax lien), pledge, charge, security interest, hypothecation, mortgage, right of first refusal, option or other right to acquire, transfer for security, claim, easement, conditional sale agreement, title retention agreement, defect in title, or other interest, lien or adverse claim of any nature in respect of such property or asset, whether voluntary or involuntary and whether arising by law, contract or otherwise;

(w) "**Environmental Laws**" means all applicable international, federal, provincial, municipal or local treaties, conventions, laws, statutes, regulations, orders, by-laws, governmental decrees or ordinances relating to fisheries, health and safety, the protection or preservation of the environment or the manufacture, processing, distribution, use, treatment, storage, disposal, discharge, transport or handling of Hazardous Substances;

(x) "**Exchange**" means any Canadian securities exchange;

(y) "**Financial Statements**" means the unaudited financial statements of the Company for the fiscal year ended July 31, 2020 consisting of a balance sheet, statement of income, and statement of deficit including the notes to such financial statements, copies of which are attached as SCHEDULE C;

(z) "**Financial Statement Date**" means the date of the Financial Statements copies of which are attached as SCHEDULE C;

(aa) "**Fundamental Representations**" means the representations and warranties of the Sellers set out in Sections 4.1(a) (Corporate Matters), 4.1(b) (Authorized Capital), 4.1(c) (Capacity to Carry on Business), 4.1(d) (Licenses and Permits), 4.1(e) (Insolvency or Amalgamation), 4.1(f) (Securities Legislation), 4.1(g) (Title to Shares), 4.1(h) (Competing Rights), 4.1(i) (Capacity of Sellers), 4.1(p) (Indebtedness to Third Parties), 4.1(q) (Indebtedness to Sellers), 4.1(v) (Non-Contravention), 4.1(w) (Governmental Authorization), 4.1(y) (Material Contracts), 4.1(bb) (Assets), 4.1(cc) (Assets Sufficient for Business), 4.1(kk) (Intellectual Property Rights), 4.1(nn) (Employee Assignments), 4.1(ggg) (Canadian Residence), and 4.1(hhh) (Family Law Act);

(bb) "**GAAP**" means generally accepted accounting principles in Canada as recommended by the Chartered Professional Accountants of Canada, or any successor entity thereto, including those recommended in the CPA Canada Handbook;

(cc) "**Going Public Transaction**" means the going public transaction that the Buyer intends to complete prior to Closing, through a structure acceptable to the board of directors of the Buyer (being either a reverse take-over, initial public offering, direct listing or other structure acceptable to the board of directors of the Buyer);

(dd) "**Governmental Authority**" means any Canadian (whether federal, territorial, provincial, municipal or local), international or foreign government, governmental authority, quasi-governmental authority, court, self-regulatory organization, commission, tribunal or organization or any agent, subdivision, department or branch of any of the foregoing;

(ee) "**Hazardous Substance**" means any pollutant, contaminant, waste, special or hazardous waste, toxic or hazardous substance or material which, when released into the natural environment may cause harm or risk to the natural environment or to human or animal health, including without limitation, any substance considered hazardous under Environmental Laws;

(ff) "**Indebtedness**" means the aggregate amount of: (i) the principal and accrued interest on any borrowing or indebtedness in the nature of borrowing incurred; (ii) the capitalised element of any finance lease or hire purchase contract that would be treated as a finance or capital lease in accordance with GAAP; (iii) any amounts payable or accruals in relation to capital expenditures; (iv) any unpaid dividends or other distributions declared or approved; (v) all obligations to purchase or redeem or otherwise acquire for value any share capital; (vi) any financial, accounting, Tax, legal and other advisory fees, costs and expenses incurred in connection with the preparation for, negotiation and implementation of the transactions contemplated under this Agreement together with any Taxes charged thereon; (vii) the aggregate amount payable under all transaction related incentive, bonus or other arrangements to employees or consultants in connection with the transactions contemplated by this Agreement; (viii) any other transaction or other bonuses paid, payable or owed relating to the transactions contemplated by this Agreement; (ix) all Taxes arising and remaining unpaid; (x) any amounts payable to any of the directors; and together with (xi) vacation pay in respect of Employees, including (i) employer payroll-related Taxes; and (ii) any equivalent amounts payable to contractors;

(gg) "**Independent Accountant**" means a reputable, independent accounting firm as selected by the mutual agreement of the Buyer and the Sellers;

(hh) "**Intellectual Property Rights**" means any patents, trademarks, service marks, industrial designs, utility models, design patents, petty patents, copyright (including copyright in computer software), database rights, circuit topography rights, mask works, inventions, trade secrets, confidential information, know-how, business or trade names (including internet domain names and e-mail address names) and all other intellectual and industrial property and rights of a similar or corresponding nature in any part of the world, including the right to apply for, and all applications for, any of the foregoing rights and the right to sue for infringements of any of the foregoing rights;

(ii) "**Interim Financial Statements**" means the unaudited consolidated financial statements of the Company for the period ended April 30, 2021 consisting of a consolidated balance sheet, statement of income, statement of retained earnings, and statement of cash flow including the notes to such financial statements;

(jj) "**Legal Proceeding**" means any litigation, action, suit, investigation, hearing, claim, complaint, grievance, arbitration proceeding or other proceeding and includes any appeal or review and any application for same;

(kk) "**Material Adverse Change**" means any transaction, event, condition, change, circumstance or effect that results in or may reasonably be expected to result in a material adverse change to:

(i) the Business or the financial condition, trading position, Assets, operation, or prospects of the Company; or

(ii) the value of the Shares,

other than any matters disclosed in SCHEDULE B, changes in interest rates, exchange rates, commodity prices or other general economic conditions (except to the extent that such changes have an impact on the Company that is disproportionate to the effect on other similar companies operating in the beverage brewing industry, or changes attributable solely to announcing the transactions contemplated in this Agreement;

(ll) "**Material Contract**" means any contract, arrangement or obligation to which the Company is a party and which:

(i) involves expenditure by the Company in excess of $10,000 per annum;

(ii) provides income to the Company in excess of $20,000 per annum;

(iii) is of a term in excess of 3 months; or

(iv) is outside the Ordinary Course of the Business;

(mm) **"Ordinary Course of Business"** when used in relation to the taking of any action by the Company means that the action:

(i) is consistent in nature, scope and magnitude with the past practices of the Company and is taken in the ordinary course of normal day-to-day operations of Company;

(ii) is similar in nature, scope and magnitude to actions customarily taken in the ordinary course of the normal day-to-day operations of other Persons that are in the same line of business as the Company; and

(iii) does not require the authorization of the shareholders of the Company or any other separate or special authorization of any nature;

(nn) "**Person**" means an individual, legal personal representative, corporation, body corporate, firm, partnership, trust, trustee, syndicate, joint venture, limited liability Company, association, unincorporated organization, union, Governmental Authority or other entity or organization;

(oo) "**Privacy Laws**" has the meaning given in Section 4.1(ss);

(pp) "**Purchase Price**" has the meaning given in Section 2.2;

(qq) **"Required Consents"** has the meaning given in Section 6.5;

(rr) "**Saleable**" means inventories that (i) can be reasonably delivered and sold within the applicable expiration dates and (ii) have been stored and transported property.;

(ss) "**Shares**" has the meaning given to it in Section 4.1(b);

(tt) "**Systems**" means the computer, telecommunications and networking hardware and software and other information technology owned or used by the Company;

(uu) "***Tax Act***" means the *Income Tax Act* (Canada);

(vv) "**Tax Representations**" means the representations and warranties of the Sellers with respect to Taxes contained in Section 4.1(yy), Section 4.1(zz), Section 4.1(aaa), Section 4.1(bbb), Section 4.1(ccc), Section 4.1(ddd), Section 4.1(eee), and Section 4.1(fff)

(a) "**Tax Returns**" means all returns, reports, declarations, elections, notices, filings, information returns, and statements in respect of Taxes that are filed or required to be filed with any applicable Governmental Authority, including all amendments, schedules, attachments or supplements thereto;

(b) "**Taxes**" means all taxes, surtaxes, duties, levies, imposts, fees, assessments, withholdings, dues and other charges of any nature, including interest and penalties associated therewith, imposed or collected by any Governmental Authority, whether disputed or not, including Canadian federal, provincial, territorial, municipal and local, foreign and other income, franchise, capital, real property, personal property, withholding, payroll, health, transfer, goods and services, harmonized sales, value added, sales, use, consumption, excise, customs, anti-dumping, countervail, net worth, stamp, registration, franchise, payroll, employment, education, business, school, local improvement, development and occupation taxes, duties, levies, imposts, fees, assessments and withholdings, dues and other charges of any nature and Canada and Quebec pension plan contributions, employment insurance premiums and all other taxes and similar governmental charges of any kind for which the Company may have any liability imposed by any Governmental Authority;

(c) "**Term Sheet**" means the term sheet dated December 30, 2020 among the Buyer, the Sellers, and the Company;

(d) "**Third Party Claim**" means any claim or Legal Proceeding that is instituted or asserted by any Person who is not a party to this Agreement against a Buyer's Indemnified Person which entitles the Buyer's Indemnified Person to make a claim for indemnification under 8.2 of this Agreement; and

(e) "**Transaction Documents**" means any agreement, instrument or other document to be delivered by a party hereto in connection with the consummation of the transactions contemplated by this Agreement.

1.2 Interpretation. In this Agreement, except as otherwise expressly provided:

(a) the headings to the parts, sections, paragraphs, and schedules of this Agreement are inserted for convenience only and shall not affect the interpretation of this Agreement;

(b) any reference to a part, section, paragraphs or schedule is to the relevant part, section, paragraph or schedule of this Agreement;

(c) words of one gender include all genders, and words in the singular include the plural and vice versa; and

(d) any reference to a statute includes and is a reference to such statute, and to the regulations made pursuant to it, as amended and in force from time to time, and to any statute or regulations that may be passed which have the effect of supplementing or superseding such statute or regulations.

1.3 Schedules. The following are the Schedules attached to and incorporated into this Agreement by reference and each of them forms part of this Agreement:

SCHEDULE A - SHAREHOLDERS

SCHEDULE B - DISCLOSURE
SCHEDULE C - FINANCIAL STATEMENTS
SCHEDULE D - FORM OF CONFIRMATORY ASSIGMENT AND NON COMPETE
SCHEDULE E - FORM OF EMPLOYMENT AGREEMENTS

PART 2
SALE AND PURCHASE

2.1 Agreement to Sell and Purchase. Each Seller agrees to sell free and clear of all Encumbrances, and the Buyer agrees to purchase, the Shares set out opposite that Seller's name in SCHEDULE A on the terms and conditions contained in this Agreement.

2.2 Purchase Price. The total purchase price payable by the Buyer to the Sellers for the Shares shall be the sum of $500,000 (the "**Purchase Price**"), subject to adjustment in accordance with Section 2.3.

2.3 Payment of Purchase Price. On the Closing Date, the Buyer will issue to the Sellers, unsecured convertible promissory notes (the "**Convertible Notes**") equal to the value of the Purchase Price minus the Debt Adjustment (the "**Payment**).

2.4 Allocation of the Initial Payment. The Payment shall be allocated between the Sellers in the proportions set out in SCHEDULE A.

PART 3
CONVERTIBLE NOTES

3.1 Vesting Provisions. The Sellers acknowledge that the Convertible Notes will be subject to the following vesting provisions:

(a) 12.5% of the Convertible Notes on the date that is 3 months from the Closing Date; and

(b) 12.5% of the notes every 3 months thereafter for a total of 21 months following the vesting date set out in Section 3.1(a).

3.2 Conversion of Convertible Notes. On vesting of each tranche of the Convertible Notes as set out in Section 3.1, and subject to Section 3.3, each Seller shall have the option to receive either their respective portion of cash consideration or an amount equal to their respective portion in Consideration Shares, which shall be issued at a price per share equal to price per share issued in the Concurrent Financing.

3.3 Subject to Ongoing Employment. Notwithstanding the above, if:

(a) either of Peters or Salimian resigns from their respective employment with the Buyer at the time of vesting of the respective tranche of the Convertible Notes, the Sellers shall only receive cash consideration and shall not be entitled to receive Consideration Shares for the relevant tranche and all tranches thereafter;

(b) the Buyer terminates the employment of either Peters or Salimian with cause prior to the end of the aggregate 24 month vesting period, all of the outstanding Convertible Notes will vest immediately on the effective date of such termination and the Sellers shall only receive cash consideration and shall not be entitled to receive further Consideration Shares; or

(c) the Buyer terminates the employment of either Peters or Salimian without cause prior to the end of the aggregate 24 month vesting period, all of the outstanding Convertible Notes will vest immediately on the effective date of such termination and the Sellers will retain their option to receive cash consideration or an amount equal to their respective portion in Consideration Shares.

3.4 Lock Up. The Sellers acknowledge that the Buyer intends to complete a Going Public Transaction. In furtherance of the foregoing, the Sellers agree: (a) to enter into all such escrow, pooling, lock-up or other agreements as are required by the securities regulatory authorities, the Exchange, the agents, or the underwriters in connection with the Going Public Transaction; and (b) to enter into all such further escrow, pooling, lock-up or other agreements as reasonably requested by the Buyer to cause the Consideration Shares to be subject to substantially similar escrow, pooling and lock-up conditions as those shares of the Buyer (or the shares of the publicly traded company received in exchange for such shares) held by the founders of the Buyer (which are expected to be over a period of three (3) years). If and to the extent such escrow, pooling, lock-up or other agreements required by the securities regulatory authorities, the Exchange, the agents, or the underwriters in connection with the Going Public Transaction or reasonably requested by the Buyers, copies will be provided to the Sellers a minimum of five (5) Business Days prior to the Closing Date. The Sellers also acknowledge and agree that the Consideration Shares issued to Seller pursuant to Section 3.2 will be subject to the following contractual hold periods and bear legends as such: 10% of the Consideration Shares issued on each respective vesting date will be freely transferrable as of their respective issuance date and 15% will become freely transferrable every six (6) months thereafter.

3.5 Sale of Shares. The Sellers agree to not sell any Consideration Shares to any person that will hold any "short positions", or enter into any forward contract, equity swap, put, call, collar, or similar transaction, on any securities of the Buyer (or the shares of the publicly traded company received in exchange for such securities).

PART 4
SELLERS' REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties. In order to induce the Buyer to enter into and consummate this Agreement, the Sellers jointly and severally represent and warrant to the Buyer as follows:

(a) **Corporate Matters.** The Company is a company duly incorporated and validly existing and, with respect to the filing of corporate returns, is in good standing under the laws of the Province of British Columbia. Neither the nature of the Business nor the location or character of the Assets of the Company requires that the Company be registered or otherwise qualified or be in good standing in any other jurisdiction.

(b) **Authorized and Issued Capital.** The authorized share capital of the Company is an unlimited number of Class A Voting Common shares without par value, an unlimited number of Class B Voting Common shares without par value, an unlimited number of Class C Non-Voting Common shares without par value, an unlimited number of Class D Non-Voting Common shares without par value, an unlimited number of Class E Non-Voting Common shares without par value, an unlimited number of Class F Non-Voting Preferred shares with a par value of $0.01 per share, an unlimited number of Class G Non-Voting Preferred shares with a par value of $1.00 per share, an unlimited number of Class H Non-Voting Preferred shares with a par value of $1.00 per share. The issued and outstanding share capital of the Company is set forth on SCHEDULE A (collectively, the "**Shares**"). No shares in the capital of the Company are issued and outstanding other than the Shares. The Shares have been validly issued as fully paid and non-assessable shares of the Company and are free of restrictions on transfer other than restrictions on transfer under the Articles, applicable Securities Laws and Encumbrances created by or imposed by the Buyer.

(c) **Capacity to Carry on Business.** The Company has all necessary corporate powers and qualifications to own its Assets and to carry on the Business in all jurisdictions in which it carries on the Business.

(d) **Licences and Permits.** The Company holds all authorizations, licences and permits from any Person, Governmental Authority or other body which are necessary for carrying on the Business and for owning, leasing, using or operating its Assets. Each such authorization, licence and permit is listed in Section 4.1(d) of the Disclosure Schedule and is in full force and effect. The Company is not in breach of or in default under any of the terms or conditions of any such authorization, licence or permit and no party is or will be entitled to terminate or revoke any such authorization, licence or permit as a result of the transactions contemplated by this Agreement.

(e) **Insolvency or Amalgamation.** No proceedings have been taken or authorized by any Person with respect to the bankruptcy, insolvency, liquidation, dissolution or winding-up of the Company or with respect to any amalgamation, merger, consolidation, arrangement or reorganization relating to the Company.

(f) **Securities Legislation.** The Company is not a "reporting issuer" within the meaning of and the sale of the Shares by the Sellers to the Buyer complies with all applicable Canadian securities legislation.

(g) **Title to Shares.** Each Seller is the legal and beneficial owner of the Shares set out opposite their names in SCHEDULE A free of all Encumbrances. The Shares have been validly issued, are fully paid and represent all the issued and outstanding shares of every class of the Company.

(h) **Competing Rights to Shares.** Except as provided in this Agreement, there are no agreements or arrangements in force which provide for the present or future issue, allotment, transfer, redemption, repayment or conversion of any shares in the capital of the Company or any other securities of the Company including, without limitation, any option or right of pre-emption or conversion.

(i) **Capacity of Sellers**. Each Seller has the right and authority to enter into this Agreement on the terms and conditions set out in it and to transfer the legal and beneficial title and ownership of the Shares to the Buyer. This Agreement constitutes a valid and binding obligation of each of the Sellers.

(j) **Financial Statements.** . The Financial Statements have been prepared in accordance with GAAP applied on a basis consistent with that of prior fiscal years, and give a true and fair view of the assets, liabilities and financial position of the Company, as at the Financial Statement Date and the results of its operations and the changes in its financial position for the fiscal year then ending.

(k) **Interim Financial Statements.** The Interim Financial Statements, which will have been prepared in accordance with GAAP, applied on a basis consistent with that of the Financial Statements shall be delivered prior to the Closing Date, and will at the time they are delivered, give a true and fair view of the assets, liabilities and financial position of the Company, as at January 31, 2021 and the results of its operations and the changes in its financial position for the period to which they relate.

(l) **Provisions and Reserves.** The Financial Statements make adequate provision or reserve for all reasonably anticipated liabilities, losses, costs and expenses of the Company (including, without limitation, Taxes) in respect of the period covered by the Financial Statements.

(m) **Liabilities.** Except to the extent expressly disclosed or reserved against in the Financial Statements or incurred since the Financial Statement Date in the Ordinary Course of the Business, the Company does not have any outstanding indebtedness or any liabilities or obligations (whether accrued, absolute, contingent or otherwise). Any liabilities or obligations incurred in the Ordinary Course of the Business since the Financial Statement Date have not, and will not, result in a Material Adverse Change.

(n) **Litigation.** There is no action, suit, investigation, claim or proceeding in progress or pending or, to the knowledge of the Sellers, threatened against or relating to the Company or affecting its Assets or the Business. So far as the Sellers are aware, there are no facts, matters or circumstances which could give rise to any such action, suit, investigation, claim or proceeding. There is no judgement, decree, injunction, rule or order of any court or Governmental Authority outstanding against the Company or any of its Assets.

(o) **Guarantees.** The Company has no guarantees, indemnities or contingent or indirect obligations with respect to the liabilities or obligations of any other Person.

(p) **Indebtedness to Third Parties.** Except as provided in Section 4.1(q) of the Disclosure Schedule, the Company does not have any indebtedness to arm's length third parties.

(q) **Indebtedness to Sellers.** The Company has no indebtedness to any Person not at arm's length from the Company, including any Sellers, or to any director, officer, or employee of any Seller, or any Affiliate or Associate of any of them.

(r) **Material Adverse Change.** Since the Financial Statement Date there has been no Material Adverse Change.

(s) **No Unusual Transactions.** Since Financial Statement Date the Business has been carried on in the ordinary course and the Company has not:

(i) sold, assigned or otherwise disposed of any Assets of the Company shown or reflected in the Financial Statements except in the Ordinary Course of the Business;

(ii) waived or surrendered any right of material value;

(iii) entered into any Material Contract;

(iv) incurred, discharged, satisfied or paid any liability or indebtedness other than current liabilities in the Ordinary Course of the Business;

(v) created, assumed or granted any Encumbrance over any of the Company's Assets;

(vi) made or authorized any capital expenditures exceeding in the aggregate $10,000;

(vii) made, declared or authorized any dividend or any other distribution in respect of its shares;

(viii) issued, purchased, sold, redeemed, subdivided or consolidated any shares in its capital or issued any warrants, bonds, debentures or other securities;

(ix) amended or changed or taken any action to amend or change its Articles;

(x) increased the compensation payable to, or paid any pension, bonus, share of profits or other similar benefit to, any director, employee or officer or former director, employee or officer of the Company;

(xi) made any gift of any money or any Assets to any Person;

(xii) made payments of any kind to or on behalf of any of the Sellers or any Affiliate or Associate of any of them; or

(xiii) authorized or agreed or otherwise have become committed to do anything referred to in this Section 4.1(s).

(t) **Accounts Receivable.** All accounts receivable held by the Company shown in the Financial Statements or arising after the Financial Statement Date are listed in Section 4.1(t) of the Disclosure Schedule and are bona fide, good and collectible without set-off or counterclaim. The reserve taken for doubtful or bad debts in the Financial Statements is adequate based on the past experience of the Company.

(u) **Books and Records.** All material transactions of the Company have been promptly and accurately recorded in the books and records, including accounting records, of the Company. The minute books of the Company contain all records of the meetings and proceedings of shareholders and directors. The books and records, including accounting records, of the Company are up to date and fully and fairly present the financial position and the affairs of the Company. The Company has kept all records required to be kept by the *Business Corporations Act* (British Columbia) and any other applicable legislation and all such records are accurate and up to date.

(v) **Non-Contravention.** The performance of this Agreement and any closing documents required as a part of the transaction set out herein will not:

(i) conflict with, or result in the breach of, or constitute a default under, any agreement, arrangement or instrument to which the Company is party or the Articles of the Company or any Encumbrance, lease, contract, order, judgment, regulation or other restriction or obligation of any kind by which the Company or any Assets of the Company is bound;

(ii) result in the creation, imposition or enforcement of any Encumbrance on or over any of the Sellers' Shares;

(iii) contravene or conflict with any laws or regulations binding upon or applicable to the Company, the Business or the Shares;

(iv) result in a violation or breach of, constitute a default (or an event which, with notice of lapse of time or both, would become a default), require any consent or approval to be obtained or notice to be given under, or give rise to any third party right of termination, cancellation, suspension, acceleration, penalty or payment obligation or right to acquire under any provision of the Articles or organizational documents

(v) relieve any Person from any obligation to the Company (whether contractual or otherwise) or enable any Person to terminate any such obligation or any right or benefit enjoyed by the Company or to exercise any right in respect of the Company; or

(vi) result in the creation, imposition or enforcement of any Encumbrance on or over any of the Assets or undertaking of the Company or result in any present or future indebtedness of the Company becoming due and payable prior to its stated maturity.

(w) **Governmental Authorization.** The execution, delivery and performance of this Agreement by the Sellers requires no action by, consent or approval of, or filing with, any Governmental Authority.

(x) **Advisory Fees.** There is no investment banker, broker, finder or other intermediary or advisor that has been retained by or is authorized to act on behalf of the Company or any Seller who might be entitled to any fee, commission or reimbursement from the Company or the Buyer.

(y) **Material Contracts.** The Company is not party to any Material Contract other than the contracts, arrangements and commitments listed in Section 4.1(y) of the Disclosure Schedule and a true and complete copy of each lease listed in Sections 4.1(dd) and 4.1(ee) and each licence listed in Section 4.1(d) of the Disclosure Schedule has been previously supplied to the Buyer. Each Material Contract is valid and subsisting, in full force and effect and unamended.

(z) **Insider Contracts.** The Company is not currently, nor has it been at any time during years prior to the date of this Agreement, party to any contract, arrangement or commitment with any Seller or any Affiliate or Associate of any Seller.

(aa) **Default.** Neither the Company nor any other Person who is party to a Material Contract is, or will with the lapse of time become, in default under any Material Contract. The Sellers are not aware of any intention on the part of any Person who is party to a Material Contract to breach, terminate, alter or amend that Material Contract.

(bb) **Assets.** The Company is the legal and beneficial owner of all Assets included in the Financial Statements or acquired by the Company since the Financial Statement Date (except for any current assets sold or realised in the ordinary and normal course of the Business since the Financial Statement Date). All such Assets are held free of any Encumbrance except as listed in Section 4.1(bb) of the Disclosure Schedule.

(cc) **Assets Sufficient for the Business.** The Assets owned, leased or licensed by the Company together with the services and facilities to which it has a contractual right comprise all the Assets, services and facilities necessary for the carrying on of the Business as it is currently carried on. None of the Company’s Assets are in the possession of or under the control of any other Person including, without limitation, any of the Sellers.

(dd) **Leased Assets.** Section 4.1(dd) of the Disclosure Schedule sets out details of all personal property in respect of which the Company is lessee or licensee and describes the leases, licences, agreements or other documentation relating to them. All such leases, licences, agreements and documentation are valid and subsisting, all rental and other payments required to be paid by the Company pursuant to them have been duly paid and the Company is not otherwise in default in meeting its obligations under them.

(ee) **Real Property.** Section 4.1(ee) of the Disclosure Schedule contains details of all real property in respect of which the Company holds an interest, whether freehold, leasehold or otherwise, together with details of the Company’s interest. Each of such properties and any buildings and structures on them are in good and substantial repair and are fit for the purposes for which they are presently used. The Company holds all rights necessary for the continued possession, enjoyment and use of such properties for its present purpose without any restriction.

(ff) **Plant and Equipment.** All plant, equipment, vehicles and other equipment owned or used by the Company are listed in Section 4.1(ff) of the Disclosure Schedule and are:

(i) in a good state of repair and condition and in satisfactory working order and have been regularly and properly maintained;

(ii) capable of doing the work for which they were designed or purchased and are not surplus to requirements; and

(iii) are not dangerous or obsolete and are not expected to require replacement or renewal at a cost in excess of $5,000 within six months from the date of this Agreement.

(gg) **Raw Materials.** The Company's inventories of raw materials, components, work in progress and finished goods now held are not obsolete, unusable, unmarketable or inappropriate to the Business as it is currently carried out.

(hh) **Inventories.** The Company's inventories:

(i) are of a quality in conformity in all material respects with the warranties given by the Company pursuant to distribution agreements or any other contracts to which they are a party;

(ii) are of a quality in conformity in all material respects with industry standards and reasonably good business practice and are in good condition, free from defects and capable of being sold by the Company in the Ordinary Course of the Business;

(iii) are not subject to a voluntary recall by the Company, by the distributor of the inventories or any Governmental Authority, and there is no threat of any such recall;

(iv) with respect to the portion of the inventories consisting of finished products, are Saleable,

(v) with respect to the portion of the inventories consisting of raw materials and work-in-progress, is of a quality usable in the production of finished products; and

(vi) have been manufactured and produced in accordance, in all material respects with, and meet all requirements of, Applicable Law, and meet the material specifications in all contracts, with customers of the Company relating to the sale of such products.

(ii) **Title to Inventories.** All inventories are owned by the Company free and clear of all Encumbrances, and no inventories are held on a consignment basis from others. The level of Inventories is consistent with the level of inventories that has been maintained in the operation of the Business prior to the date hereof in accordance with the Ordinary Course of the Business. Without limiting the generality of this Section 4.1(ii):

(i) all products previously or currently produced, distributed or sold by, and all services provided by, the Company have been produced, packaged, labeled, advertised, distributed and sold (or in the cases of services, provided) in accordance with and meet all requirements of, Applicable Law, in all material respects, and meet the specifications in all contracts with customers of the Company relating to the sale of such products;

(ii) there have been no claims against the Sellers or the Company pursuant to any product warranty or with respect to the production, distribution or sale of defective or inferior products or with respect to any warnings or instructions concerning such products;

(iii) there have been no recalls regarding any of the products previously or currently produced, distributed or sold by the Company, and, to the best of the knowledge of the Sellers, there are no grounds for any such recall;

(iv) the Company and its predecessors have maintained all material operating documents and records with respect to all products previously or currently produced, distributed or sold by, and all services provided by, the Company in material compliance with and for the time periods required by Applicable Law.

(jj) **Interests in other Businesses.** The Company does not own any shares in or other securities of, or have any interest in the Assets or business of, any other Person.

(kk) **Intellectual Property Rights.** Section 4.1(kk) of the Disclosure Schedule lists all of the Intellectual Property Rights owned by the Company or used in the course of the Business. All of such Intellectual Property Rights are either legally and beneficially owned by the Company or are licensed to the Company under valid and binding licence agreements and, in each case, are free from any Encumbrance. There are no Intellectual Property Rights other than those listed in Section 4.1(kk) of the Disclosure Schedule that are used in, or are necessary for, the conduct of the Business.

(ll) **Non-infringement by Company.** The conduct of the Business does not infringe the Intellectual Property Rights of any Person and is in accordance with all agreements pursuant to which the Company has the right to use or license any third party Intellectual Property Rights. No person has instituted or threatened any proceeding or action against the Company alleging any infringement by the Company of any Intellectual Property Rights of any Person.

(mm) **Non-infringement by Third Party.** The Sellers are not aware of any challenge, infringement or other violation of any of the Company's Intellectual Property Rights by any third party.

(nn) **Intellectual Property Protection.** The Company has used its Intellectual Property Rights in such a manner as to preserve it rights in them, including the use of proper notices indicating ownership of the Intellectual Property Rights to the extent necessary for the protection of its rights and the prevention of any disclosure to the public of any confidential information relating to its Intellectual Property Rights. All registrations and filings necessary to preserve the rights of the Company in and to any Intellectual Property Rights have been made.

(oo) **Employee Assignments.** Each employee of the Company has entered into a valid and subsisting contract that obliges the employee to maintain the confidential information of the Company and to assign all right, title and interest in any Intellectual Property Rights created or developed in the course of their employment to the Company and to waive all moral rights that such employees may have in any such Intellectual Property Rights.

(pp) **Systems.** Section 4.1(pp) of the Disclosure Schedule contains details of the Systems and all documentation relating to the Systems. The Company is entitled as owner, lessee or licensee to use each part of the Systems for all purposes necessary to carry on the Business and the Business is not dependent on any information technology (including, without limitation, data storage and processing) facilities which are not under the exclusive ownership or control of the Company. The Systems:

(i) are free from any defect and have been and are being properly and regularly maintained; and

(ii) have the capacity and performance necessary to fulfil the present and foreseeable future requirements of the Company.

(qq) **Insurance.** Particulars of all insurance policies maintained by the Company are listed in Section 4.1(qq) of the Disclosure Schedule. The Company maintains insurance policies in force against loss on such Assets, against such risks, in such amounts and to such limits as is in accordance with prudent business practices for a Company such as the Company and having regard to the location, age and character of its Assets. The Company has fully complied with all requirements of such insurance, including the payment of all premiums and the prompt giving of notice of any claim.

(rr) **No Breach of Laws.** The Company is not, and has not at any time been, in breach of any laws (including, without limitation, Environmental Laws and Privacy Laws), ordinances, statutes, regulations, by-laws, orders or decrees to which it is subject or which apply to it.

(ss) **Privacy Laws.** The Company, its employees, contractors and agents are in full compliance with all applicable federal and provincial privacy legislation including, without limitation, the *Personal Information Protection Act* (British Columbia), the *Personal Information Protection Act* (Alberta) ("**Privacy Laws**"), and with the Company's privacy policy, a copy of which was has been disclosed to the Buyer.

(tt) **Employees.** Section 4.1(tt) of the Disclosure Schedule contains a complete and up-to-date list of all Employees engaged in the Business specifying the length of hire, the job title or classification, level of remuneration and other benefits and the applicable terms and conditions of employment for each such Employee. Section 4.1(tt) of the Disclosure Schedule lists all Employees of the Company who:

(i) are on secondment, maternity leave or other extended leave of absence;

(ii) are employed under a contract of employment that is not terminable by the Company on three months' notice or less;

(iii) have given notice to the Company to terminate their contract of employment or who will be entitled, by reason of the transactions contemplated by this Agreement, to any one-off payment, bonus or commission or to terminate their employment other than on normal contractual terms; or

(iv) are in receipt of any workers' compensation benefits on account of their employment by the Company.

(uu) **Outstanding Offers.** No outstanding offer of employment has been made by the Company to any person, nor has any person accepted an offer of employment made by the Company but who has not yet commenced employment.

(vv) **Workers' Compensation.** There are no complaints, appeals, claims or charges pending or outstanding or, so far as the Sellers are aware, anticipated, nor are there any orders, decisions, directions, or convictions currently registered or outstanding by any tribunal or agency against, or in respect of, the Company under or in respect of any Applicable Laws or regulations relating to employment, employment practices, workers' compensation, WorkSafeBC, or the protection of the health and safety of employees.

(ww) **Union Contracts.** The Company has not entered into any collective agreement with any labour union or employee association or made any commitments to or conducted any negotiations with any labour union or employee association with respect to any future collective agreement. The Sellers are not aware of any current attempts to organize, establish or certify any labour union or employee association with respect to any employees of the Company, nor is any such union or association presently certified with regard to a bargaining unit. The Company has not experienced any work stoppages or strikes (legal or otherwise) in the past years. The Sellers are not aware of any current attempts to organize, establish or certify any contractor with which the Company has a contract for the provision of personnel or services. The Sellers are not aware of any litigation or threatened litigation alleging that the Company is a single or common employer with other entities or the true employer of the employees of another entity.

(xx) **Environmental.** The Company has not violated any Environmental Laws and for greater certainty, without limitation:

(i) the Company has operated the Business, and managed any property, facilities or Assets (whether currently or previously owned, leased, occupied, controlled or licensed) of the Company, in compliance with all applicable Environmental Laws and no condition exists or action, inaction, activity, circumstance, condition , event or incident has occurred which, with or without notice or the passage of time or both, would constitute a violation of, or give rise to liability under, any applicable Environmental Laws;

(ii) the Company has obtained all permits, licences and authorizations required under Environmental Laws for the operation of the Business, or any part thereof, all of which are described in Section 4.1(xx)(ii) of the Disclosure Schedule. Each such permit, licence and authorization is valid, subsisting and in good standing and the Company is not in default or breach of any of them and no proceeding is pending or threatened to revoke, amend or limit any such permit, licence or authorization. The Company is not actively seeking to amend any of the permits, licences or authorizations in any respect where the failure to obtain the amendment would have a materially adverse effect on the portion of the Business to which the permit, licence or authorization relates. Subject to Required Consents, none of the permits, licences and authorizations will become void or be in default as a result of this Agreement or the completion of the transactions contemplated in this Agreement;

(iii) neither the Company, nor any of the Sellers, has received any notice of, nor been prosecuted for, an offence alleging violation of or non-compliance with any Environmental Laws, and neither the Company, nor any of the Sellers, has settled any allegation of violation or non-compliance short of prosecution. Neither the Company, nor any of the Sellers, is aware of any order of any Government Authority relating to environmental matters requiring any work, repairs, construction or capital expenditures to be made with respect to the Business or any property, facilities or Assets (whether currently or previously owned, leased, occupied, controlled or licensed) of the Company;

(iv) neither the Company, nor any of the Sellers, have received any notice of, or are the subject of any federal, provincial, municipal or private action, suit, litigation, arbitration, proceeding, governmental proceeding, investigation, claim or order involving a demand for damages or alleging other potential liability with respect to violations of Environmental Laws;

(v) the Company has not used or permitted to be used any of its Assets or facilities, whether owned, leased, occupied, controlled or licensed or which it owned, leased, occupied, controlled or licensed at any prior time, to generate, manufacture, process, distribute, use, treat, store, dispose of, transport or handle any Hazardous Substance except in compliance with all applicable Environmental Laws. The Company has not used any property belonging to third parties to generate, manufacture, process, distribute, use, treat, store, dispose of, transport or handle Hazardous Substance except in compliance with all applicable Environmental Laws;

(vi) to the best of knowledge of the Sellers, no building, structure or improvement or other Assets located on the property of the Company, whether owned, leased, occupied, managed, controlled or licensed is or ever has been insulated with urea formaldehyde insulation, nor do any such buildings, structures, improvements or other Assets contain any aluminum wiring, asbestos or PCBs;

(vii) neither the Company nor any of the Sellers have received any notice of, or been prosecuted for an offence alleging violation of or non-compliance with any Environmental Laws, and neither the Company nor any of the Sellers has settled any allegation of violation or non-compliance short of prosecution. Neither the Company nor any of the Sellers is aware of any order of any Governmental Authority relating to environmental matters requiring any work, repairs, construction or capital expenditures to be made with respect to the Business or any property, facilities or Assets (whether currently or previously owned, leased, occupied, controlled or licensed) of the Company;

(viii) except in compliance with Environmental Laws, the Company has not caused, allowed or permitted, or has any knowledge of, the release of any Hazardous Substance into the environment or the presence of any Hazardous Substance on, under, around or from any of its properties, facilities or other Assets (whether currently or previously owned, leased, occupied, controlled or licensed) or any such release or presence on or from a property, facility or other Asset owned, leased, occupied, managed, controlled or licensed by third parties but with respect to which the Company is or may reasonably be alleged to have liability. All Hazardous Substances used in whole or in part by the Company or resulting from the Business have been treated, stored and disposed of in compliance with all Environmental Laws;

(ix) the Company has not received any notice from any Governmental Authority or any other Person that the Business or the operation of any of the Company’s property, facilities or other Assets (whether currently or previously owned, leased, occupied, managed, controlled or licensed) is or was in violation of any Environmental Law or that it is responsible (or potentially responsible) for the clean-up of any Hazardous Substances at, on or beneath any of its property, facilities or other Assets (whether currently or previously owned, leased, occupied, managed, controlled or licensed) or at, on or beneath any other land or in connection with any waste or contamination migrating to or from any of the Company's property, facilities or other Assets (whether currently or previously owned, leased, occupied, managed, controlled or licensed);

(x) the Company is not the subject of federal, provincial, municipal or private action, suit, litigation, arbitration proceeding, governmental proceeding, investigation or claim involving a demand for damages or other potential liability with respect to violations of Environmental Laws;

(xi) the Company has not buried, dumped, disposed of, spilled or released any Hazardous Substance on, beneath or adjacent to any of the Company's property or facilities (whether currently or previously owned, leased, occupied, managed, controlled or licensed), or any other property;

(xii) no by-products of any manufacturing process employed in the operation of the Business which may be Hazardous Substances are currently stored or otherwise located on any of the property or facilities or other Assets (whether owned, leased, occupied, managed, controlled or licensed) of the Company in a manner prohibited by any Environmental Laws;

(xiii) the Company has, in a timely manner, filed all reports required to be filed with respect to all of the property, facilities or other Assets (whether owned, leased, occupied, managed, controlled or licensed) of the Company and has generated and maintained all required data, documentation and records under all applicable Environmental Laws;

(xiv) to the best of knowledge of the Sellers, there are no underground storage tanks on or beneath any of the Company's property, or facilities or other Assets (whether owned, leased, occupied, managed, controlled or licensed);

(xv) to the best of knowledge of the Sellers, no Hazardous Substances are migrating to or from any of the Company's property, facilities or other Assets (whether owned, leased, occupied, managed, controlled or licensed);

(xvi) all of the real property which the Company and its predecessors have owned, leased, occupied, managed controlled or licensed at any time is listed in Section 4.1(ee) of the Disclosure Schedule;

(xvii) all contingency plans relating to matters which might adversely affect the environment or health and safety are complete and available as required under applicable Environmental Laws; and

(xviii) the Sellers have provided or made available to the Buyer true and complete copies of all environmental audits, evaluations, assessments, remediation reports, closure reports, studies or tests relating to the Company and its Business and Assets (whether currently or previously owned, leased, occupied, managed, controlled or licensed).

(yy) **Tax Filings and Payments.** The Company has:

(i) duly filed in a timely and accurate manner all returns, reports, forms or other information required to be filed with respect to any Taxes;

(ii) paid all Taxes for all previous years and all required quarterly instalments due for the current fiscal year; and

(iii) provided adequate reserves for all Taxes for the periods covered by, and such reserves are reflected in, the Financial Statements;

(zz) **Tax Arrangements and Liabilities.** There is no agreement, waiver or other arrangement providing for an extension of time with respect to the filing of any tax return, or payment of any Taxes by the Company, nor is there any action, suit, litigation, arbitration, proceeding, governmental proceeding, investigation or claim, including appeals and applications for review, in progress, threatened or pending against or relating to the Company or its Assets or the Business in respect of, or discussions underway with any Governmental Authority relating to, any such Taxes. There are no contingent Tax liabilities nor any grounds which could prompt a reassessment (including, without limitation, aggressive treatment of income, expenses, credits or other claims for deduction in any tax returns of the Company).

(aaa) **Additional Tax Matters**. The Company has not:

(i) made any election under section 85 of the *Tax Act* with respect to the acquisition or disposition of any Assets;

(ii) made any election under section 83 of the *Tax Act* with respect to the payment out of the capital dividend account of the Company;

(iii) acquired or had the use of any Assets from a person with whom it was not dealing at arm's length other than at fair market value;

(iv) disposed of or acquired any Assets to or from a person with whom it was not dealing at arm's length for proceeds less than the fair market value;

(v) discontinued carrying on any business in respect of which non-capital losses were incurred, and any non-capital losses which the Company has are not losses from property or business investment losses; or

(vi) been subject to an acquisition of control to which the provisions of subsection 249(4) of the *Tax Act* has applied.

(bbb) **Tax Elections.** The Company has made all elections required to be made under Part III of the *Tax Act* in connection with any distributions by the Company and all such elections were true and correct and in the prescribed form and were made within the prescribed time periods.

(ccc) **Canadian-Controlled Private Company.** The Company is and has been since its incorporation, a "Canadian-controlled private corporation" within the meaning of that term under the *Tax Act*. The Company has not filed with the Minister of National Revenue any agreement or form under section 125(3) of the *Tax Act* for the current taxation year and the Company has never carried on business as a member of a partnership.

(ddd) **Statements Attached to Tax Returns.** Any financial statements or related financial information filed with the income tax returns as filed by the Company for each of its taxation years reflect and disclose all transactions to which the Company was party as required by the *Tax Act* or other applicable revenue laws and all of the transactions to which the Company was or is a party are reflected or disclosed in such financial statements and schedules and the income tax returns and schedules have been duly and accurately completed as required by such laws.

(eee) **Tax Accounts.** Section 4.1(eee) of the Disclosure Schedule accurately sets out the status of the following tax accounts as of the Effective Date:

(i) paid-up capital of each common share;

(ii) capital dividend account;

(iii) non-capital losses not yet deducted but still deductible by the Company in respect of tax years;

(iv) net capital losses not yet deducted but still deductible by the Company in respect of tax years;

(v) original cost of depreciable assets for capital cost allowance purposes;

(vi) capital cost allowance taken on each class of asset to date;

(vii) undepreciated capital cost of each class of assets;

(viii) actual cost of capital properties;

(ix) cumulative eligible capital balance amounts;

(x) previously claimed deductions by the Company pursuant to section 20(1)(b) of the *Tax Act;*

(xi) refundable dividend tax on hand;

(xii) the adjusted cost base of any loans to the Company from shareholders;

(xiii) preferred earnings amount;

(xiv) life insurance capital dividend account;

(xv) investment tax credits; and

(xvi) investment tax credit carry forward.

(fff) **GST/HST/Sales Tax.** The Company has collected, remitted, self-assessed and paid all taxes as required by Excise Tax Act, R.S.C. 1985, c.E-15 (Canada) (the "**GST/HST**"). The Company has also collected, remitted, self-assessed and paid all taxes as required by the Retail Sales Tax Act (Ontario), Social Service Tax Act (BC), Provincial Sales Tax Act (BC), Quebec Sales Tax Act (Quebec), Provincial Sales Tax Act (Saskatchewan), Retail Sales Tax Act (Manitoba) and Revenue Tax Act (PEI). Additionally,:

(i) the Company is registered for GST/HST purposes under registration number 807309505;

(ii) the Company does not have any deferred obligations or liabilities under Part IX of the *Excise Tax Act*;

(iii) the Company has not made a supply of property or service to a Person with whom the Company was not dealing at arm's length for proceeds less than the fair market value; and

(iv) the reporting period of the Company for purposes of GST/HST is quarterly and all GST/HST returns and reports of the Company required by law to be filed have been filed in a timely manner and are true, complete and correct in all respects.

(ggg) **Canadian Residence**. Neither of Salimian or Peters are a "non-resident" of Canada within the meaning of section 116 of the Act. Wang is as of the date of this agreement a "non-resident" within the meaning of section 116 of the Act. None of the Shares will be "taxable Canadian property" within the meaning of subsection 248(1) of the Act on the Closing Date.

(hhh) **Family Law Act.** Salimian and Peters are spouses and have both contributed work, money and money's worth in respect of the acquisition, management, maintenance, operation or improvement of the Company The spouse of Wang has not in any manner whatever contributed work, money or money's worth in respect of the acquisition, management, maintenance, operation or improvement of the Company nor has the spouse of Wang assumed any responsibility within the meaning of the *Family Law Act* (British Columbia), which would or could potentially give him or her an interest in any or all of the Shares. No order has been given under the *Family Law Act* (British Columbia), which would or does affect the Shares or the title of any Seller thereto in any manner whatever nor is there any application threatened or pending under the *Family Law Act* (British Columbia) or otherwise by the spouse of any Seller for an order which might affect the Shares or any Sellers' title thereto.

(iii) **Securities Law Matters**.

(i) **Purchase Entirely for Own Account.** With respect to each such Seller acquiring Consideration Shares, each of the Sellers (a) is a sophisticated investor with knowledge and experience in financial and business matters, (b) has consulted with its professional and legal advisors and is capable of evaluating the merits and risks of its investment in Considerations Shares, (c) will be able to bear the economic risk of its investment in the Consideration Shares, and (d) acknowledges that it has not received a prospectus or any other information from the Buyer and that it has relied entirely on the publicly available information and documents of the Buyer and on its own investigation in making the investment decision to receive the Consideration Shares as satisfaction of the Purchase Price.

(ii) **Restricted Securities.** The Sellers have been independently advised as to the restrictions with respect to trading in the Consideration Shares imposed by applicable securities legislation, confirm that no representation has been made to them by or on behalf of the Buyer with respect thereto, acknowledges that it is aware of the characteristics of the Consideration Shares, the risks relating to holding such Consideration Shares and of the fact that it may not be able to resell the Consideration Shares except in accordance with limited exemptions under applicable securities laws and regulatory policy until expiry of the applicable restriction period and compliance with the other requirements of Applicable Law, and it agrees that any certificates representing the Consideration Shares may bear a legend indicating that the resale of such securities is restricted.

(jjj) **Full Disclosure.** The information contained in the documents, certificates and written statements furnished to the Buyer by or on behalf of the Sellers relating to the Business and the financial affairs and prospects, Assets and liabilities of the Company was when given, and continues to be, true, accurate and complete and not misleading and does not omit to state any material fact which, if disclosed, might affect the decision of the Buyer to purchase the Shares. The disclosures contained in SCHEDULE B are true, accurate and not misleading and fully and fairly disclose every matter to which they relate.

4.2 Disclosure Schedule. The disclosures and qualifications in SCHEDULE B (the "**Disclosure Schedule**") shall be arranged in sections and sub-sections corresponding to the numbered and lettered section and sub-sections in Section 4.1 and the disclosures in any section or sub-section of SCHEDULE B shall qualify other sections and sub-sections in Section 4.1 only to the extent that the disclosure expressly refers to such section and sub-section.

4.3 Representations at Closing. The representations and warranties of the Sellers in this Agreement shall continue to be true, accurate and not misleading up to and including the Closing Date as if each such representation and warranty were repeated at the Closing Date with reference to the facts and circumstances then existing.

4.4 Knowledge and Awareness. If any provision in this Part 4 is qualified by the expression "to the best of the knowledge of the Sellers" or "so far as the Sellers are aware" or any similar phrases, the knowledge and awareness of the Sellers shall be deemed to include such knowledge as would be gained through due and careful enquiries into the subject matter of that provision including, without limitation, enquiries of the directors, officers, Employees, agents and advisers of the Company and, for these purposes, the knowledge, information or awareness of any one of the Sellers shall be attributable to all other Sellers.

4.5 Reliance. The Sellers acknowledge that the Buyer has entered into this Agreement relying on the representations and warranties of the Sellers under this Agreement and the rights and remedies of the Buyer with respect to any breach of such representations and warranties shall not be affected by:

(a) any investigation or independent searches that have been or may be undertaken by or on behalf of the Buyer; or

(b) any information which is now known, or may become known, to the Buyer or its officers, directors or professional advisers.

PART 5
BUYER'S REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties. In order to induce the Sellers to enter into and consummate this Agreement, the Buyer represents and warrants to the Sellers that the following statements set out in this Part 5 are true, accurate and not misleading.

(a) **Corporate Matters.** The Buyer is a Company duly incorporated and validly existing and, with respect to the filing of corporate returns, is in good standing under the laws of the Province of British Columbia.

(b) **Capacity.** The Buyer has the right and authority to enter into this Agreement on the terms and conditions set out in it and has duly passed all corporate resolutions necessary to authorize the transactions contemplated by this Agreement. This Agreement constitutes a valid and binding obligation of the Buyer.

(c) **Governmental Authorization.** Except as expressly referred to in this Agreement, the execution, delivery and performance of this Agreement by the Buyer requires no action by, consent or approval of, or filing with, any Governmental Authority.

(d) **Financial Statements.** The Buyer's audited financial statements, which will have been audited by DMCL Chartered Professional Accountants and have been prepared in accordance with GAAP, applied on a basis consistent with that of prior fiscal years, which will be delivered prior to the Closing Date, and will, at the time they are delivered give a true and fair view of the assets, liabilities and financial position of the Buyer, as at the applicable financial statement date and the results of its operations and the changes in its financial position for the fiscal period then ending.

5.2 Representations at Closing. The representations and warranties of the Buyer in this Agreement shall continue to be true, accurate and not misleading up to and including the Closing Date as if each such representation and warranty were repeated at the Closing Date with reference to the facts and circumstances then existing.

PART 6
COVENANTS

6.1 Conduct of Business Prior to Closing. Except as otherwise permitted by this Agreement, during the period from the date of this Agreement to the Closing Date, the Sellers shall, and shall cause the Company to:

(a) conduct the Business diligently and in the Ordinary Course of Business, having due regard to the interests of the Buyer under this Agreement;

(b) continue in force all existing policies of insurance presently maintained by the Company and maintain insurance on all the Assets of the Company at least to the levels as they are insured on the date of this Agreement;

(c) preserve intact the Business and the Assets, operations and affairs of the Company (other than sale of Assets in the Ordinary Course of Business) and use Commercially Reasonable Efforts to preserve for the Buyer the goodwill of suppliers, customers and others having business relations with the Company;

(d) comply with all laws affecting the operation of the Business and pay all required Taxes;

(e) pay and discharge all liabilities or obligations of the Company in the Ordinary Course of Business consistent with past practice, except for such liabilities or obligations as may be contested by the Company in good faith;

(f) keep available the services of present officers, employees, agents and other personnel of the Company and pay their wages and benefits up to and including the Closing Date; and

(g) maintain in good standing all authorizations, licences and permits required by the Company for the operation of the Business as set out in Section 4.1(d).

6.2 Restrictions Prior to Closing. Except as otherwise permitted by this Agreement or with the prior written consent of the Buyer, during the period from the date of this Agreement to the Closing Date, the Sellers shall not and shall procure that the Company shall not:

(a) incur or agree to incur any liability other than in the Ordinary Course of Business;

(b) enter into, amend or terminate or agree to enter into, amend or terminate any Material Contract;

(c) create, assume or grant any Encumbrance over any of the Company's Assets

(d) create, allot, issue, purchase or redeem any of its share or loan capital or acquire any shares in any other Company or agree to do so;

(e) make, declare or pay any dividend or other distribution;

(f) amend or change or take any action to amend or change its Articles or similar-type governance documents;

(g) hire or terminate any Employees other than in the Ordinary Course of Business;

(h) increase the compensation payable to, or pay any pension, bonus, share of profits or other similar benefit to, any director, Employee or officer or former director, Employee or officer of the Company, except in the Ordinary Course of Business;

(i) take any action to accelerate the vesting or payment of any compensation or benefit for any current or former officer, director, Employee, or independent contractor;

(j) make any gift of any money or any Assets to any Person;

(k) make payments of any kind to or on behalf of any of the Sellers or any Affiliate or Associate of any of them, other than regular employment income made in the Ordinary Course of Business to any such Person that is an Employee

(l) take any action or omit to take any action which would, or would reasonably be expected to, result in a breach of, or render untrue or misleading, any representation or warranty of the Sellers contained in this Agreement, if such representation or warranty were repeated at any time before Closing by reference to the facts and circumstances then existing; and

(m) authorize or agree or otherwise become committed to do anything referred to in this Section 6.2.

6.3 Access to Information. Between the date of this Agreement and the Closing Date, the Sellers shall (and shall cause the Company to) give to the Buyer and its directors, officers, employees, agents and advisers full access, during normal business hours, to all of the properties, employees, books, records, databases, contacts, commitments and records of the Company and the Sellers relating to the Business, and shall furnish to the Buyer any information reasonably requested by it. After the Closing Date each Seller shall provide all such information within its custody relating to the Business and the affairs and Assets of the Company as the Buyer may reasonably request and shall assist and cooperate with the Buyer in resolving any questions, enquiries or disputes with any Governmental Authority in connection with the Company.

6.4 Notification. The Sellers shall immediately notify the Buyer in writing of any action or circumstance which may arise between the date of this Agreement and the Closing Date which results, or may result, in:

(a) a Material Adverse Change;

(b) a breach of any representation or warranty of the Sellers contained in this Agreement, if such representation or warranty were repeated at any time before Closing by reference to the facts and circumstances then existing; or

(c) any of the information provided in the schedules to this agreement becoming untrue, incorrect or misleading in any respect.

6.5 Licenses and Consents. The Sellers shall obtain, or shall provide the Buyer with all co-operation or support reasonably required by the Buyer to allow the Buyer to obtain, at or before the Closing Date, from all appropriate Governmental Authorities and other Persons (including, without limitation, parties to any Material Contract), any licences, permits, consents, assignments, approvals, certificates, registrations and authorizations required to permit the completion of the transactions contemplated by this Agreement (**"Required Consents"**).

6.6 Filings with Governmental Agencies.

(a) Each of the parties hereto shall use Commercially Reasonable Efforts to prepare and submit, and shall cooperate with each other in connection with the preparation and submission of, all applications and filings as may be or become necessary under Applicable Laws for or in connection with the consummation of the transaction(s) contemplated in this Agreement, including any applications and filings required for the transfer of licenses issued by any Governmental Authorities.

(b) The Sellers shall provide the Buyer with such information and assistance as may be reasonably requested by the Buyer in order to prepare and file any notification or applications under Applicable Laws.

(c) Notwithstanding any other provision of this Agreement, in the event the transaction(s) contemplated by this Agreement are or become reviewable by a Governmental Authority, whether prior to, at the time of or at any time following Closing, the Sellers shall provide the Buyer with such information and assistance as may be reasonably requested by the Buyer in order to make representations to such Governmental Authority or otherwise participate in or respond to any notices or review pursuant to the requirements of such Governmental Authority.

(d) The provisions of Section 6.6 survive any termination of this Agreement and the Closing of the transaction(s) contemplated hereby.

6.7 Confidentiality. The parties acknowledge and agree that the following shall apply to the use and disclosure of Confidential Information:

(a) the Sellers shall not at any time use or disclose or permit there to be used or disclosed any Confidential Information relating to or belonging to the Company;

(b) the Buyer shall treat all information received from or on behalf of the Company in connection with the transaction(s) contemplated in this Agreement as confidential and subject to the Confidentiality Agreement and the Buyer shall cause its officers, directors, employees, affiliates, financial advisors and agents to comply with the provisions of the Confidentiality Agreement with respect to such information.

(c) The Sellers acknowledge that the fulfillment of requirements to file with Governmental Authorities and other disclosures permitted or contemplated in this Agreement do not constitute a breach of this paragraph.

6.8 Directorship. Following the Closing, the Buyer shall appoint Salimian to the board of directors of the Buyer, who the Sellers confirm is legally qualified to be so appointed or elected.

PART 7
CONDITIONS

7.1 Buyer's Conditions. The obligations of the Buyer to complete the sale and purchase of the Shares under this agreement shall be subject to the fulfilment of each of the following conditions on or before the Closing Date.

(a) **Accuracy of Representations and Warranties**. The representations and warranties of the Sellers set out in this Agreement shall be true, accurate and not misleading as at the Closing Date with reference to the facts and circumstances then existing.

(b) **Board Approval**. Approval by the board of directors of the Buyer for each of the transactions contemplated in this Agreement.

(c) **Licences and Consents**. All Required Consents shall have been obtained from the appropriate Governmental Authorities and other Persons on terms satisfactory to the Buyer.

(d) **Concurrent Financing and Going Public Transaction**. The Buyer shall have completed the Concurrent Financing and Going Public Transaction on or before the date that is 6 months from the Effective Date.

(e) **Performance of Obligations**. The Sellers shall have performed and complied with all obligations, covenants and agreements to be performed and complied with by each of them on or before Closing under this Agreement.

(f) **Due Diligence**. The Buyer shall have completed to its reasonable satisfaction a due diligence review of the assets, liabilities, financial position and affairs of the Company.

(g) **Audited Financials**. The Buyer shall have received the audited financial statements of the Company for the fiscal year ended July 31, 2020 consisting of a balance sheet, statement of income, and statement of deficit including the notes to such financial statements, which shall be true and correct in all material respects and acceptable to the Buyer (acting reasonably)..

(h) **Interim Financial Statements.** The Buyer shall have received the Interim Financial Statements , which will have been prepared in accordance with GAAP, applied on a basis consistent with that of the Financial Statements and which will give a true and fair view of the assets, liabilities and financial position of the Company, as at April 30, 2021 and the results of its operations and the changes in its financial position for the period to which they relate and which shall be true and correct in all material respects and acceptable to the Buyer (acting reasonably).

(i) **Material Adverse Change**. There shall have been no Material Adverse Change between the date of this Agreement and the Closing Date.

(j) **Closing Documentation**. All documents listed in Section 9.2 shall have been received by the Buyer.

7.2 Waiver/Termination. The conditions contained in Section 7.1 are for the exclusive benefit of the Buyer and may be waived by it in whole or in part at any time. If any of the conditions in Section 7.1 are not fulfilled or waived on or before the Closing Date, the Buyer shall be entitled, upon notice in writing to the Sellers, to treat this Agreement as terminated and shall be relieved of all obligations under this Agreement.

7.3 Sellers' Conditions. The obligations of the Sellers to complete the sale and purchase of the Shares under this agreement shall be subject to the fulfilment of each of the following conditions on or before the Closing Date.

(a) **Employment Agreement**. The Buyer shall have entered into employment agreements with Salimian and Peters substantially in their respective forms attached hereto as Schedule E.

(b) **Concurrent Financing and Going Public Transaction.** The Buyer shall have completed the Concurrent Financing and Going Public Transaction on or before the date that is 6 months from the Effective Date.

(c) **Exchange Consent**. All required consents shall have been obtained from the Exchange.

(d) **Material Adverse Change.** There shall have been no Material Adverse Change with respect to the Buyer between the date of this Agreement and the Closing Date.

7.4 Waiver. The conditions contained in paragraph 7.3 are for the exclusive benefit of the Sellers and may be waived by it in whole or in part at any time. If any of the conditions in paragraph 7.3 are not fulfilled or waived on or before the Closing Date through no fault, action or inaction by the Sellers, the Sellers shall be entitled, upon notice in writing to the Buyer, to treat this Agreement as terminated and shall be relieved of all obligations under this Agreement.

SURVIVAL AND INDEMNITY

8.1 Survival of Representations and Warranties. The representations and warranties of the Sellers in this Agreement shall survive Closing and the payment of the Purchase Price and shall continue in full force and effect for a period of two years from the Closing Date except that:

(a) All representations and warranties of the Sellers will remain in full force and effect indefinitely with respect to any inaccuracies or breaches thereof as a result of fraud or fraudulent misrepresentation on the part of any one or more of the Sellers;

(b) the Tax Representations shall survive the Closing and continue in full force and effect until 90 days after the expiration of the greater of 7 years or the expiry of the final right of reassessment or claim by the appropriate taxing authority with respect to the matters covered in the Tax Representations; and

(c) the Fundamental Representations will remain in full force and effect indefinitely.

8.2 Indemnification of Buyer. The Sellers jointly and severally covenant and agree to indemnify and hold harmless the Company, the Buyer and the Buyer's Affiliates or Associates (the "**Buyer's Indemnified Persons**") from and against any Damages suffered or incurred as a result of, or arising out of:

(a) any assessment or reassessment for Taxes for any period up to and including the Closing Date for which no adequate reserve has been provided for and disclosed in the Financial Statements;

(b) any breach of a Fundamental Representation or Tax Representation, or the same being untrue or inaccurate;

(c) to the extent not arising under Section 8.2(a) or Section 8.2(b) any of the representations or warranties of the Sellers in this Agreement (other than the Fundamental Representations or Tax Representations) being untrue or inaccurate; or

(d) a breach of any covenant, term or agreement made in this Agreement by any of the Sellers.

(which losses, costs, damages, liabilities and fees are collectively referred to as "**Buyer's Losses**").

PART 9
CLOSING

9.1 Closing. The sale and purchase of the Shares and the other transactions contemplated by this Agreement shall be closed (the "**Closing**") at the offices of DLA Piper (Canada) LLP located at Suite 2800, 666 Burrard Street, Vancouver, British Columbia, Canada at 10:00 a.m. Vancouver time on the date that is three (3) Business Days after the date that all conditions set out in Part 7 are fulfilled or waived, or on such other date or at such other place as may be mutually agreed upon in writing by the parties (the "**Closing Date**").

9.2 Delivery by Sellers. On the Closing Date the Sellers shall deliver, or cause to be delivered, the following documents to the Buyer:

(a) share certificates representing the Shares in the names of the respective Sellers together with share transfer forms endorsed for transfer of the Shares represented thereon to the Buyer;

(b) new share certificates representing the Shares in the name of the Buyer;

(c) the minute books and all other books and records of the Company, including any User IDs and passwords required for BC Online associated with the Company;

(d) the corporate seal of the Company, if any;

(e) a certificate of an officer of the Company attaching

(i) a true and complete copy of the constating documents of the Company;

(ii) an incumbency certificate in respect of the Company;

(iii) a certificate of good standing of the Company issued by the Governmental Authority of the jurisdiction of incorporation, dated not more than two Business Days prior to the Closing Date; and

(iv) a true and complete copy of resolutions of the directors of the Company approving and authorizing the transfer of the Shares from the Sellers to the Buyer, the registration of those Shares in the name of the Buyer and the issue of the share certificates referred to in Section 9.2(b);

(f) a certificate executed by the Sellers certifying that:

(i) the representations and warranties of the Sellers set out in this Agreement are true, accurate and not misleading as at the Closing Date with reference to the facts and circumstances then existing, and

(ii) the Sellers and the Company have performed and complied with all obligations, covenants and agreements to be performed and complied with by each of them on or before the Closing Date under this Agreement;

(g) all passwords, credentials, keys or login information necessary to run the Business in the Ordinary Course of Business, including as may be necessary to use or access administrative controls of the Systems and any administrative, account or registrant control over the Intellectual Property;

(h) duly executed resignations and releases of Salimian, Peters, and Wang as directors and officers of the Company, such resignations to be effective as of the Closing Date;

(i) releases of claims (including with respect to any shareholder loans that may have existed) against the Company executed by the Sellers in form and substance acceptable to the Buyer;

(j) a confirmatory assignment of IP and non-competition agreements executed by the Sellers substantially in the form attached hereto as Schedule D;

(k) an employment agreement executed by each of Salimian and Peters substantially in their respective forms attached hereto as Schedule E;

(l) executed copies of all Required Consents;

(m) a duly executed shareholders or similar rights agreement providing certain rights in respect of the orderly disposition of the Consideration Shares and voting rights in respect of the Consideration Shares;

(n) duly executed escrow, pooling, lock-up, voting, share restriction or other agreements as are required by the Buyer or the securities regulatory authorities, the Exchange, the agents, or the underwriters in connection with the Consideration Shares (or the shares of the publicly traded company received in exchange for such shares) or the Going Public Transaction; and

(o) all such other documents, instruments, records, conveyances, assignments, assurances, consents and certificates which, in the opinion of the Buyer acting reasonably, are necessary to effect and evidence the transfer of the Shares to the Buyer free and clear of all Encumbrances or as required as a result of ongoing diligence or otherwise reasonably requested by the Buyer.

9.3 Delivery by the Buyer. On the Closing Date, the Buyer shall issue the Convertible Notes as set out in Section 2.3.

PART 10
TERMINATION

10.1 Termination. This Agreement may be terminated and the transactions contemplated hereby abandoned at any time prior to the Closing Date:

(a) by mutual written consent of the Sellers and the Buyer;

(b) by the Sellers, in the event of a material breach by the Buyer of any representation, warranty or agreement contained herein that results in any condition to the obligations of the Sellers to close as set forth in paragraph 7.1 becoming no longer capable of being satisfied; or

(c) by the Buyer, in the event of a material breach by the Sellers or the Company of any representation, warranty or agreement contained herein that results in any condition to the obligations of the Buyer to close as set forth in paragraph 7.3 becoming no longer capable of being satisfied.

10.2 Survival. If this Agreement is terminated prior to Closing and the transactions contemplated hereby are not consummated as described above, this Agreement shall become void and of no further force and effect, except for the provisions of this Part 10, section 6.7; and Part 11, which shall survive such termination, and provided that nothing herein shall relieve any party from liability for its willful breach of this Agreement.

10.3 Notice of Termination. Any party desiring to terminate this Agreement pursuant to paragraph 10.1 shall give written notice of such termination to the other parties to this Agreement.

PART 11
GENERAL

11.1 Public Announcements. On or before the Closing Date, the Sellers shall not make or authorize any public announcement regarding the transactions contemplated by this Agreement without the prior written consent of the Buyer (such consent not to be unreasonably withheld).

11.2 Notices. Any notice or communication required or permitted to be given under this Agreement shall be in writing and shall be considered to have been sufficiently given if delivered by hand, transmitted by electronic transmission or mailed by prepaid registered post in Canada to the address or email address of each party set out below:if to the Buyer:

VGAN Brands Inc.
1088 - 999 West Hastings Street
Vancouver, BC, V6C 2W2

Attention: ***[Redacted]***
Email Address: ***[Redacted]***

with a copy to (which shall not constitute notice):

DLA Piper (Canada) LLP
2800 - 666 Burrard Street
Vancouver, BC V6C 2Z7

Attention: ***[Redacted]***
Email: ***[Redacted]***

if to the Sellers, to the below address on behalf of all Sellers:

[Redacted]

Attention: ***[Redacted]***
Email Address: ***[Redacted]***

with a copy to (which shall not constitute notice):

[Redacted]

Attention: ***[Redacted]***
Email: ***[Redacted]***

or to such other address or email address as any party may, from time to time, designate in the manner set out above. Any such notice or communication shall be considered to have been received:

(a) if delivered by hand during business hours on a Business Day, upon receipt by a responsible representative of the receiver, and if not delivered during business hours, upon the commencement of business hours on the next Business Day;

(b) if sent by electronic transmission during business hours on a Business Day, upon the sender sending the transmission, and if not transmitted during business hours, upon the commencement of business hours on the next Business Day; and

(c) if mailed by prepaid registered post in Canada, upon the fifth Business Day following posting; except that, in the case of a disruption or an impending or threatened disruption in postal services every notice or communication shall be delivered by hand or sent by electronic transmission

11.3 Time of Essence. Time shall be of the essence of this Agreement.

11.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and federal laws of Canada applicable therein, including all matters of construction, validity and performance, in each case without reference to any conflict of law rules that might lead to the application of the laws of any other jurisdiction.

11.5 Submission to Jurisdiction. Each of the parties shall:

(a) submit to the jurisdiction of the courts of the Province of British Columbia; and

(b) if any appointed agent is required, notify the others in writing of the name and address of its appointed agent.

11.6 Entire Agreement. This Agreement and the documents and instruments to be executed and delivered under it constitute the entire agreement between the parties and supersedes any previous agreement or arrangement, oral or written, between the parties. This Agreement and the documents and instruments to be executed and delivered under it, contain all the covenants, representations, and warranties of the respective parties. There are no oral representations or warranties between the parties of any kind. This Agreement may not be amended or modified in any respect except by written instrument signed by each of the parties.

11.7 Severability. If any provision of this Agreement is or becomes illegal, invalid or unenforceable under the laws of any jurisdiction, that shall not affect or impair:

(a) the legality, validity or enforceability in that jurisdiction of any other provision of this Agreement; or

(b) the legality, validity or enforceability under the law of any other jurisdiction of that or any other provision of this Agreement.

11.8 Currency. All transactions referred to in this Agreement shall be made in lawful currency of Canada in immediately available funds. Any reference to cash in this Agreement includes a reference to cash, certified cheque, bankers draft, wire or electronic transfer.

11.9 Accounting Principles. All calculations made or referred to in this Agreement shall be made in accordance with GAAP. Unless the context otherwise requires, all accounting terms used in this Agreement which are not defined in this Agreement shall have the meaning assigned to them in accordance with GAAP.

11.10 Enurement. This Agreement shall enure to the benefit of and shall be binding upon the parties and their respective heirs, executors, administrators, successors and assigns.

11.11 Further Assurances. At any time after Closing, each of the parties shall execute and deliver all such documents and instruments and do all such acts as any other party may reasonably require in order to give full effect to the intent and meaning of this Agreement and the transactions contemplated by it.

11.12 Costs and Expenses. Except as specifically provided otherwise in this Agreement, each party shall be responsible for its own legal fees and other costs and expenses incurred in connection with the purchase and sale of the Shares, all negotiations between the parties and the consummation of the transactions contemplated by this Agreement.

11.13 Assignment. The Sellers acknowledge and agree that the Buyer may assign its rights and obligations under this Agreement to a nominee of the Buyer.

11.14 Counterparts. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts (which may be electronic copies) but shall not take effect until each party has executed at least one counterpart. Each counterpart shall constitute an original but all the counterparts together shall constitute a single agreement.

[*signature page follows*]

TO EVIDENCE THEIR AGREEMENT each of the parties has executed this Agreement as of the date appearing below.

Sellers:

HAMID REZA SALIMIAN

"Hamid Reza Salimian"

Dated: April 27, 2021

JENNIFER ELLEN PETERS

"Jennifer Ellen Peters"

Dated: April 27, 2021

IVAN HSUN WANG

"Ivan Hsun Wang"

Dated: April 28, 2021

Buyer:

VGAN BRANDS INC.

By:

"Denis Silva"

Authorized Signatory

Dated: May 10, 2021

SCHEDULE A
SHAREHOLDERS

[Redacted]

SCHEDULE B
DISCLOSURE SCHEDULE

[Redacted]

SCHEDULE C
FINANCIAL STATEMENTS

[Redacted]

SCHEDULE D
FORM OF CONFIRMATORY ASSIGNMENT AND NON COMPETE

[Redacted]

SCHEDULE E
FORM OF EMPLOYMENT AGREEMENTS

[Redacted]