Portions of this agreement have been redacted in accordance with subsection 12.2(3) of National Instrument 51-102 -- *Continuous Disclosure Obligations*.

ROYALTY PURCHASE AGREEMENT

THIS AGREEMENT is made January 10, 2014,

BETWEEN:

BLUEDROP PERFORMANCE LEARNING INC.

- and -

GRENVILLE STRATEGIC ROYALTY CORP.

RECITALS

WHEREAS the Purchaser wishes to acquire from the Corporation, and the Corporation wishes to sell to the Purchaser, a gross sales royalty on the terms and conditions contained herein.

THE PARTIES agree as follows:

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

Capitalized terms not otherwise defined herein shall have the respective meanings ascribed to such terms in Schedule "A" attached hereto.

1.2 Certain Rules of Interpretation

In this Agreement:

(a) **Currency** – Unless otherwise specified, all references to money amounts are to the lawful currency of Canada.

(b) **Governing Law** – This Agreement is a contract made under, governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario.

(c) **Headings** – Headings of Articles and Sections are inserted for convenience of reference only and do not affect the construction or interpretation of this Agreement.

(d) **Including** – Where the word "including" or "includes" is used in this Agreement, it means "including (or includes) without limitation".

(e) **Number and Gender** – Unless the context requires otherwise, words importing the singular include the plural and vice versa and words importing gender include all genders.

(f) **Severability** – If, in any jurisdiction, any provision of this Agreement or its application to any Party or circumstance is restricted, prohibited or unenforceable, such provision is, as to that jurisdiction, ineffective only to the extent of such restriction, prohibition or unenforceability without invalidating the remaining provisions of this Agreement, affecting the validity or enforceability of such provision in any other jurisdiction or affecting its application to other Parties or circumstances.

(g) **Statutory References** – A reference to a statute includes all regulations made pursuant to the statute and, unless otherwise specified, the provisions of any statute or regulation that amends, supplements or supersedes the statute or the regulation.

(h) **Schedules** – The schedules attached to this Agreement are incorporated into, and form an integral part of, this Agreement.

1.3 Knowledge

Any reference to the knowledge of the Corporation means the actual knowledge of each senior officer and director of the Corporation, after reasonable inquiry and investigation in the normal exercise of such individual's duties.

1.4 Entire Agreement; Waiver

This Agreement constitute the entire agreement between the Parties and set out all the covenants, promises, warranties, representations, conditions, understandings and agreements between the Parties concerning the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, oral or written, express, implied or collateral between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement. No waivers of or exceptions to any term, condition or provision of this Agreement, in any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver of any such term, condition or provision.

ARTICLE 2
ROYALTY

2.1 Gross Sales Royalty

As consideration for the payment by the Purchaser of the [redacted] and, if applicable, the [redacted], and subject to the terms hereof, the Corporation covenants and agrees to pay to the Purchaser a royalty amount (each, a "**Royalty Payment**") equal to [redacted] of monthly IP Revenue earned by the Corporation during each calendar month, in perpetuity (unless terminated

[Pricing information redacted]

in accordance with this Agreement), and pro-rated for any partial month, for each Installment advanced by the Purchaser (the "**Gross Sales Royalty**"), [redacted]

[Pricing information redacted]

2.2 Advance of Installments

The [redacted] of [redacted] (the [redacted]) shall be advanced by the Purchaser to the Corporation in immediately available funds on the date hereof to an account specified by the Corporation. If so elected by the Purchaser in its sole discretion (but without any obligation on the part of the Purchaser to make such election), the Purchaser may advance an additional [redacted] to the Corporation in one or more tranches on a date or dates determined by the Purchaser, the last date of which will, unless otherwise agreed by the Purchaser and the Corporation, be no later than March 15, 2014, [redacted]

[Pricing information redacted]

2.3 Payment of Royalty Payments

Each Royalty Payment shall be paid by the Corporation to the Purchaser [redacted] on or before the [redacted] Business Day following the [redacted] commencing on the [redacted] Business Day following January 10, 2014. All Royalty Payments shall be made by [redacted] writing by the Purchaser to the Corporation. The Corporation may [redacted] required to withhold that are levied upon the Gross Sales Royalty by any Governmental Authority, provided that the Corporation shall deliver to the Purchaser copies of the filed tax return reporting such payments and official receipts (or such other evidence of payment reasonably acceptable to the Purchaser) evidencing that such payments were in fact received by the applicable Governmental Authority.

[Pricing information redacted]

2.4 Royalty Payments Following Termination

The termination of this Agreement [redacted] to pay any Royalty Payment accrued prior to the date of termination. Upon termination of this Agreement, the Purchaser shall have the right to retain any Royalty Payment already paid by the Corporation under this Agreement.

[Pricing information redacted]

2.5 Delinquent Royalty Payments

Any Royalty Payment not paid [redacted] of when it was originally due shall bear interest at a rate equal [redacted].

[Pricing information redacted]

2.6 Audit Right

Upon not less than fourteen days' written notice, the Purchaser shall have the right to audit the books and records of the Corporation (including those obtained from third parties) relating to sales or other transactions included in the definition of IP Revenue for the purposes of determining the correctness of the Corporation's computation and payment of the Royalty

Payments. Such audit may not be conducted more than once in any calendar year and shall be conducted during normal business hours by an accounting firm selected by the Purchaser at its cost and reasonably acceptable to the Corporation, provided that such accounting firm enters into a reasonable confidentiality agreement prior to commencing any such audit. The Corporation shall provide such accounting firm with access to all pertinent books and records and shall reasonably cooperate with such accounting firm's efforts to conduct such audits. If there has been an underpayment of Royalty Payments due for the period being audited of more than 10% of the amount of Royalty Payments which were actually due in respect of such period, the Corporation shall reimburse the Purchaser for the reasonable out-of-pocket costs (including accountants' fees) incurred by the Purchaser in connection with such audit. If the Purchaser claims that any such audit reveals an underpayment of a Royalty Payment, the Purchaser will make the audit papers for the relevant period available to the Corporation.

[redacted]

(a) Subject to Section 2.7(b):

(i) at any time after the [redacted] of the date of this Agreement, the Corporation may by delivery of notice in writing to the Purchaser [redacted] all amounts owing or to become owing to the Purchaser hereunder, including any [redacted] and the remaining amount of the Gross Sales Royalty (but excluding any amounts which may become owing under Section 2.10(c)) [redacted] as at the date of the Buyout Notice, which payment will be made no later than the 30th day following the date on which the Buyout Notice is received by the Purchaser (the [redacted]); and

[Pricing information redacted]

(ii) at any time after the date hereof following the occurrence of a Change of Control or a sale of all or substantially all of the assets of the Business or a distinct and severable division of the Business (a "**Business Unit**"), the Corporation may, by delivery of a Buyout Notice to the Purchaser, purchase and extinguish the then remaining Outstanding Amount (the [redacted] upon payment to the Purchaser of the greater of the following (provided, however, that if the [redacted] is not exercised by the Corporation [redacted] following the date of completion of the Change of Control or the sale of all or substantially all of the assets of the Business or Business Unit (the [redacted]), the [redacted] shall be deemed to immediately and forever expire and terminate effective as of 5:00 p.m. (Newfoundland time) on the [redacted]

[Pricing information redacted]

(A) [redacted] and

(B) the [redacted] of the remaining Gross Sales Royalty as at the date of the Change of Control Buyout Notice based on: [redacted] (B) a [redacted] and (C) an IP Revenue growth rate, expressed as a percentage, based on the IP Revenue growth rate for the 24 month period immediately preceding the date of the Buyout Notice [redacted]

[Time limit redacted]

Notwithstanding the foregoing: (A) if the [redacted] is exercised and completed after the exercise and completion of the [redacted] the purchase price payable by the Corporation in connection with the [redacted] shall, subject to paragraph (B) hereof, be the amount determined pursuant to Section 2.7(a)(ii)(B); and (B) where the sale referenced in Section 2.7(a)(ii) is the sale of a Business Unit rather than a sale of all or substantially all of the assets of the Business, the portion of the Outstanding Amount which may be purchased and extinguished by the Corporation shall be limited to the aggregate [redacted]

[Pricing information redacted]

[redacted]

Where:

[redacted]

[Pricing information redacted]

(b) Notwithstanding anything else contained herein, the Corporation's right to exercise the Buyout Option shall immediately and forever cease effective as of the occurrence of an Event of Default that is not cured to the satisfaction of the Purchaser, acting reasonably, within [redacted] days following the date of occurrence of the Event of Default (provided, however, that such [redacted] day cure period shall apply only in respect of the first occurrence of an Event of Default, with the cure period for any subsequent Event of Default being [redacted] days rather than [redacted] days).

[Pricing information redacted]

2.8 Acknowledgments and Obligations

The Corporation acknowledges, covenants and agrees that at all times on and following the date hereof it will (and will cause its Affiliates to):

(a) operate the Business in good faith and in the ordinary course consistent with industry standards and best practices, and will use commercially reasonable efforts to operate the Business so as to maximize IP Revenue;

(b) not take any steps or actions, or omit or fail to take any steps or actions or enforce any right, the intent of which is to directly or indirectly reduce the calculation of or improperly characterize or account for, or which would reasonably result in or does result in any direct or indirect reduction in the calculation of or improper characterization or accounting for of, IP Revenue or any Royalty Payments;

(c) keep and maintain complete, true and accurate books and records of all transactions involving IP Revenue;

(d) [redacted], in any way modify, amend or change its accounting practices where the effect of such change in any way reduces, or would potentially have the effect of reducing, whether alone or in combination with or as a result of any other factor, the amount payable to the Purchaser hereunder, except for changes to revenue recognition required by IFRS; [Commercially sensitive term redacted]

(e) [redacted] of the Corporation within 45 days after the last day of each fiscal month of each such entity, provided that such statements are not required for the months of March, June, September or December, which months will be reported on in accordance with Section 2.8(f); [Commercially sensitive term redacted]

(f) provide to the Purchaser unaudited, management-prepared quarterly financial statements of the Corporation on the date on which such statements are required to be publicly filed in accordance with applicable securities Laws;

(g) provide to the Purchaser audited annual financial statements of the Corporation on the date on which such statements are required to be publicly filed in accordance with applicable securities Laws;

(h) use the Royalty Acquisition Amount in a manner that is consistent with an operating plan provided by the Corporation to the Purchaser, subject to the reasonable discretion of the Corporation to use and allocate the Royalty Acquisition Amount in a manner which is otherwise consistent with the proper exercise of the fiduciary duties of the directors of the Corporation;

(i) make all necessary filings, obtain all necessary regulatory consents and approvals (if any) and pay all filing fees required to be paid in connection with the Transaction;

(j) do all things necessary or advisable to maintain its corporate existence;

(k) not consolidate, amalgamate with, or merge with or into, or reorganize, reincorporate or reconstitute into or as another entity, or continue to any other jurisdiction, unless, at the time of such consolidation, amalgamation, merger, reorganization, reincorporation, reconstitution or continuance, the resulting, surviving or transferee entity in writing assumes in favour of the Purchaser all of the obligations of the Corporation under this Agreement;

(l) advise the Purchaser promptly of any default or breach committed by the Corporation under any agreement, document or instrument relating to any indebtedness for borrowed money owing to any person (including any payment default), which breach or default continues for more than the applicable cure period, if any, with respect thereto;

(m) (i) maintain insurance upon its assets comparable in amount, scope and coverage to that in effect on the date of this Agreement, subject to such changes as may be determined by the Corporation, having regard to normal commercial practices and market standards; (ii) not at any time do or omit to do anything, or cause anything to be done or omitted to be done, whereby any such insurance would, or would be likely to, be rendered void or voidable or suspended, impaired or defeated in whole or in part; (iii) notify the Purchaser of any termination, lapse or loss of any material coverage under such insurance no later than 7 days following the occurrence thereof; and (iv) rectify or otherwise cure any such termination, lapse or loss of coverage no later than 14 days following the occurrence thereof (with notice of such rectification or cure provided to the Purchaser within a reasonable period of time thereafter);

(n) not, without the prior written consent of the Purchaser, which consent will not be unreasonably withheld, in any way encumber or allow a security interest to attach to any material Business IP where such encumbrance would, in the reasonable opinion of the Purchaser, directly or indirectly reduce the calculation of, or result in any direct or indirect reduction in the calculation of, IP Revenue or any Royalty Payments; and

(o) not sell, transfer or otherwise dispose of any material property or assets of the Corporation other than ordinary course sales of inventory (whether to an arm's length party or otherwise), including any material Business IP, without the prior written consent of the Purchaser; provided, however, that the Purchaser agrees that it will provide such consent if, contemporaneously with any such sale, transfer or disposition the buyer of the material Business IP enters into an agreement with the Purchaser in respect of such material Business IP in a form and on terms similar to this Agreement or as is otherwise acceptable to the Purchaser in its sole discretion.

2.9 Conditions of Closing

The Purchaser shall not be obligated to complete the Transaction unless and until each of the following conditions has been fulfilled, satisfied and performed in a manner completely satisfactory to the Purchaser in all respects on or before the date specified herein for each payment of any portion of the Royalty Acquisition Amount:

(a) [redacted]

[Reference to confidential document redacted]

(b) the Corporation shall have executed and delivered to the Purchaser each of the following documents, together with other documents standard in a transaction of this nature:

(i) a certificate of status or good standing (or other applicable certificate of like form) issued by the applicable Governmental Authority dated on or about the date hereof with respect to the legal existence and good standing of the Corporation and each Affiliate of the Corporation under the laws of the jurisdiction of incorporation or formation of each such entity;

(ii) a certificate of a senior officer of the Corporation, dated as of the date hereof, certifying:

(A) the accuracy of an attached copy of the constating documents of the Corporation and each Affiliate of the Corporation, in each case together with all amendments thereto;

(B) the accuracy of an attached copy of the resolutions of the board of directors of the Corporation with respect to the Transaction;

(C) that no Material Adverse Effect has occurred as of the date hereof;

(D) that no Event of Default has occurred and is continuing and that no event or circumstance has occurred, and no condition exists, which would result, either immediately, or with the lapse of time or giving of notice or both, in the occurrence or existence of an Event of Default;

(c) the Purchaser shall have received such financial and other information in respect of the Business as may be reasonably required by the Purchaser (including the financial and other information specified in this Agreement);

(d) the Corporation shall have received all third party consents, approvals or waivers required to be obtained pursuant to any Contract by which the Corporation is bound and under which consent, approval or waiver from a third party is required as a result of the Corporation entering into this Agreement or in connection with the completion of the Transaction; and

(e) the Corporation shall have, as applicable, executed and delivered such other documents, agreements, instruments, undertakings and assurances as the Purchaser or the Purchaser's counsel may deem necessary or advisable in connection with, relating to or arising from, or to give effect to or support, this Agreement.

Each of the conditions set forth in this Section 2.9 is for the exclusive benefit of the Purchaser and, unless waived in writing by the Purchaser, shall be fulfilled, satisfied and performed by the Corporation.

2.10 Event of Default

(a) Upon the occurrence of an Event of Default that is not cured to the satisfaction of the Purchaser, acting reasonably, within the period specified in Section 2.7(b), the full amount of the Outstanding Royalty Acquisition Amount will, at the Purchaser's option and without notice to the Corporation, be deemed to become immediately due and payable in a manner determined by the Purchaser, and in connection therewith the Purchaser may exercise any or all of the rights and remedies contained in this Agreement or otherwise afforded by law, in equity or otherwise.

(b) The Purchaser may waive default or any breach by the Corporation of any of the provisions contained in this Agreement. No waiver extends to a subsequent breach or default, whether or not the same as or similar to the breach or default waived, and no act or omission of the Purchaser extends to or is to be taken in any manner to affect any subsequent breach or default of the Corporation or the rights of the Purchaser resulting therefrom. Any such waiver must be in writing and signed by the Purchaser to be effective

(c) The Corporation will pay or reimburse the Purchaser for any reasonable costs or expenses incurred by the Purchaser in collecting amounts owed to it by the Corporation hereunder.

(d) For greater certainty, this Agreement, and all covenants and obligations of the Corporation hereunder, including the obligation to pay Royalty Payments, will continue in full force and effect, and will not be impaired in any way by, the occurrence of an Event of Default or the election by the Purchaser to have the Outstanding Royalty Acquisition Amount become immediately due and payable to the Purchaser, and all Royalty Payments due and owing hereunder shall continue to be paid to the Purchaser following the occurrence of an Event of Default in accordance with the terms of this Agreement in addition to, and not in substitution for, the repayment of the Outstanding Royalty Acquisition Amount.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES OF THE CORPORATION

The Corporation represents and warrants to the Purchaser, and acknowledges that the Purchaser is entering into this Agreement and completing the Transaction in reliance upon such representations and warranties, as follows, it being understood and agreed that each representation and warranty in this ARTICLE 3, and each corresponding disclosure in the Disclosure Letter, shall be read and interpreted as though such representation or warranty is given not just by the Corporation but also by each Affiliate of the Corporation, with such changes thereto as are necessary to have such representation or warranty apply to each such Affiliate:

3.1 Incorporation and Organization

The Corporation is a corporation incorporated and validly subsisting under the laws of its jurisdiction of incorporation or formation, and is in good standing under such laws. The Corporation has full corporate power, authority and capacity:

(a) to own or lease and operate its properties and assets; and

(b) to carry on its Business as presently conducted.

3.2 Corporate Records

The minute books of the Corporation have been made available to the Purchaser or counsel to the Purchaser and contain all constating documents and resolutions, and such minute books contain a complete and accurate record of all meetings and actions of directors (and committees of directors) and shareholders of, the Corporation since the date of incorporation, and accurately reflect all material transactions referred to in such proceedings. The share ledgers and registers of the Corporation are complete and reflect all issuances, transfers, repurchases and cancellations of shares in the capital of the Corporation.

3.3 Subsidiaries

[redacted] the Corporation does not own or otherwise hold any legal or beneficial interest in any other Person. *[Reference to confidential document redacted]*

3.4 Qualification in Foreign Jurisdictions

Neither the nature of the Business nor the location or character of the assets owned or leased by the Corporation requires the Corporation to be registered, licensed or otherwise qualified as an extra-provincial or foreign corporation in any jurisdiction other than any jurisdiction in which the Corporation is duly registered, licensed or otherwise qualified for this purpose and other than any jurisdiction where the failure to be so registered, licensed or otherwise qualified would not have a Material Adverse Effect.

3.5 Authorized, Issued and Outstanding Capital

(a) [redacted] *[Reference to confidential document redacted]*

(b) Other than as contemplated in this Agreement or [redacted] there are no outstanding options, warrants or other rights to subscribe for purchase or otherwise acquire from the Corporation any: *[Reference to confidential document redacted]*

(i) shares or any other equity securities; or

(ii) equity securities convertible into, exchangeable for, or representing the right to subscribe for, purchase or otherwise acquire, directly or indirectly, any shares in the capital of the Corporation.

(c) Other than as contemplated in this Agreement or the articles of the Corporation [redacted] the Corporation: *[Reference to confidential document redacted]*

(i) has no outstanding obligations, contractual or otherwise, to repurchase, redeem or otherwise acquire any shares or other equity securities in its capital;

(ii) is not a party to or bound by, or has any knowledge of, any agreement or instrument relating to the voting of any of its securities.

(d) No person has any pre-emptive rights in respect of any of the matters relating to the Transaction.

3.6 Corporate Authorization

(a) The execution and delivery of this Agreement, and the consummation of the Transaction, have been duly authorized by all necessary corporate action on the part of the Corporation.

(b) This Agreement constitutes a valid and binding obligation of the Corporation enforceable against it in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought and except as rights to indemnity and contribution may be limited by applicable Laws.

(c) The Corporation is not a party to, bound or affected by or subject to any Contract, charter or by-law provision, Law or authorization by a Governmental Authority that would be materially violated or breached by, or under which a default would occur or a Lien or a right of a third party would, or with notice or the passage of time would, be created as a result of, the execution of, or the performance of obligations under, this Agreement.

3.7 No Governmental or Third Party Consents

Other than those which have already been obtained, no consent, approval, authorization or declaration of and no filing or registration with, any Governmental Authority or other party is required to be made or obtained by the Corporation in connection with:

(a) the execution and delivery of this Agreement; or

(b) the performance by the Corporation of its obligations under this Agreement.

3.8 Financial Statements

The Financial Statements have been prepared in accordance with IFRS (except that the Interim Financial Statements are subject to normal recurring year-end audit adjustments and do not contain all footnotes required under IFRS), and the Financial Statements present fairly the assets, liabilities (whether secured, absolute, contingent or otherwise) and the financial condition of the Corporation as at June 30, 2013.

3.9 Absence of Certain Changes

Except as otherwise described in this Agreement [redacted] since the date of the Interim Financial Statements there has not been:

[Reference to confidential document redacted]

(a) any:

(i) acquisition (by purchase, lease as lessee, license as licensee, or otherwise) or disposition (by sale, lease as lessor, license as licensor, or otherwise) by the Corporation of any material properties or assets (including any Owned IP), other than in the normal course of its Business; or

(ii) other transaction by, or any binding agreement or commitment on the part of, the Corporation, other than those in the ordinary course of its Business that have not caused and are not reasonably expected to cause, either singly or in the aggregate, a Material Adverse Effect;

(b) any material change in the condition (financial or otherwise), properties, assets, liabilities, investments, revenues, expenses, income, operations, Business or prospects of the Corporation, or in any of their relationships with any suppliers, customers or other third parties with whom the Corporation has financial, commercial or other business relationships, other than changes that have not caused and are not reasonably expected to cause, either singly or in the aggregate, a Material Adverse Effect;

(c) any liabilities or obligations of any nature, whether absolute, contingent or otherwise incurred by the Corporation that would, singly or in the aggregate, be reasonably expected to have a Material Adverse Effect;

(d) any transaction by the Corporation with any Affiliates, other than the payment of compensation and reimbursement of reasonable employee travel and other business expenses in accordance with existing employment arrangements and usual past practices;

(e) any damage, destruction or loss, whether or not covered by insurance, that, either singly or in the aggregate, has caused, or could reasonably be expected to cause, a Material Adverse Effect;

(f) any declaration, setting aside or payment of any dividend or any other distribution (in cash, stock or property or otherwise) in respect of any shares or other securities of the Corporation;

(g) any forgiveness or cancellation of any debt or claim by the Corporation or any waiver by the Corporation of any right of material value, other than compromises of accounts receivable in the ordinary course of its Business;

(h) any incurrence, discharge or satisfaction of any material Lien:

(i) by the Corporation; or

(ii) on any of the shares, other securities, properties or assets owned or leased by the Corporation;

(i) any change in the composition or remuneration of senior management, other than in connection with normal course compensation matters; or

(j) any binding agreement, understanding or commitment by or on behalf of the Corporation or to do or permit any of the things referred to in this Section 3.9.

3.10 Properties, Leases, Etc.

(a) The Corporation does not own any real property.

(b) The Corporation has:

(i) good and marketable title to all of the assets and properties owned by it;

(ii) title to the lessee interest in all assets and properties leased by it as lessee; and

(iii) full right to hold and use all of the assets used in or necessary to the Business subject to the terms of any agreement relating to those assets,

in each case free and clear of Liens except as set out in Section 3.10 of the Disclosure Letter. All such assets and properties are in good condition and repair, reasonable wear and tear excepted, and are adequate and sufficient in all material respects to carry on the Business as presently conducted and as currently proposed to be conducted by the Corporation.

3.11 Indebtedness

[redacted] sets out all accounts payable of the Corporation forecasted as of December 31, 2013, including amounts payable to Insiders (except for amounts owing to Insiders who are employees in respect of salary for the Corporation's current pay period). Except as set out in Section 3.11 of the Disclosure Letter, the Corporation is not in default with respect to any outstanding material indebtedness or any instrument or agreement relating to outstanding material indebtedness. Except as set out in Section 3.11 of the Disclosure Letter, no indebtedness or any instrument or agreement relating to indebtedness purports to limit the issuance of any securities by the Corporation or its operation of the Business. Complete and correct copies of all instruments and agreements (including all amendments, supplements, waivers, and consents) relating to any material indebtedness of the Corporation have been made available by the Corporation to the Purchaser for inspection.

[Reference to confidential document redacted]

3.12 Absence of Undisclosed Liabilities

[redacted] the Corporation does not have any material liabilities or obligations, whether accrued, absolute, contingent or otherwise (including liabilities as guarantor or otherwise with respect to obligations of others) and whether due or to become due, except those accruing in the ordinary course of its Business.

[Reference to confidential document redacted]

3.13 Tax Matters

[redacted] *[Reference to confidential document redacted]*

(a) the Corporation does not have any liability, obligation or commitment, actual or contingent, for the payment of any Tax, except such as have arisen in the usual and ordinary course of its Business. The Corporation is not in arrears with respect to any required withholdings or instalment payments of any Tax nor has it filed any waiver for a taxation year under the *Income Tax Act* (Canada) or any other legislation imposing Tax on the Corporation;

(b) the Corporation has filed within the times and within the manner prescribed by law, all federal, provincial, local and foreign Tax Returns and reports that are required to be filed by or with respect to the Corporation. All such Tax Returns are true, correct and complete in all material respects, and do not, in any material respect, understate the taxable income or liability for Taxes of the Corporation for the periods covered by such returns. No Tax Return has been amended. The tax liability of the Corporation for previous taxation periods is as indicated in its Tax Returns;

(c) the Corporation has withheld from payments made to its officers, directors, employees, debtholders and shareholders the amount of all Taxes including income tax, federal or provincial pension and medical plan contributions, unemployment insurance contributions and other deductions required to be withheld from such payments, and have paid them to the proper receiving officers or authorities (or made adequate reserves or provisions for the payment thereof);

(d) there is no unresolved assessment, reassessment, action, suit, proceeding, audit, investigation or claim in progress, pending or, to the knowledge of the Corporation, threatened with respect to Taxes of the Corporation and, in particular, there are no currently outstanding reassessment or written enquiries that have been issued to, or raised in respect of, the Corporation relating to any Taxes;

(e) the Corporation is not a party to, is not bound by, nor has any obligation under, any tax sharing agreement, tax indemnification agreement or similar Contract;

(f) the Corporation has not been and is not currently required to file any Tax Returns in any jurisdiction outside of Canada; and

(g) the Corporation is not a non-resident pursuant to the *Income Tax Act* (Canada).

3.14 Litigation

[redacted] no litigation, arbitration, action, suit, proceeding or investigation (whether conducted by or before any judicial or regulatory body, arbitrator or other person) is pending or, to the knowledge of the Corporation, threatened or contemplated, against the Corporation, nor is there any basis therefor known to the Corporation. *[Reference to confidential document redacted]*

3.15 Employment Contracts

(a) There are currently no material disagreements or other difficulties with any of the Corporation's employees or independent contractors. To the knowledge of the Corporation, where such termination would have a Material Adverse Effect, no officer or key employee of the Corporation or key independent contractor to the Corporation has any present intention of terminating his or her employment with or services to the Corporation, nor does the Corporation have any present intention of terminating the employment or engagement of any such Person.

(b) There are no complaints against the Corporation before any government employment standards branch, tribunal or human rights tribunal, nor, to the knowledge of the Corporation, are there any threatened complaints or any occurrence that might lead to a complaint under any human rights legislation or employment standards legislation. There are no outstanding decisions or settlements or pending settlements under any employment standards legislation that place any obligation upon the Corporation to do or to refrain from doing any act.

(c) The Corporation is not delinquent in payments to any of its employees, consultants or independent contractors for any wages, salaries, commissions, bonuses or other direct compensation for any service performed for it to the date of this Agreement or amounts required to be reimbursed to such employees, consultants or independent contractors, and all such amounts have been properly accrued in the books and records of the Corporation.

(d) The Corporation has complied with all applicable Laws related to employment, including those related to wages, hours, worker classification, collective bargaining, and the payment and withholding of Taxes and other sums as required by law, except where non-compliance would not result in a Material Adverse Effect.

(e) The Corporation does not have any policy, practice, plan or program of paying severance pay or any form of severance compensation in connection with the termination of employment services (other than what may be required by Law or the applicable employment contract).

(f) [redacted] the Corporation has not, since the date of the Interim Financial Statements, terminated the employment of any senior officer or senior employee. *[Reference to confidential document redacted]*

3.16 Material Contracts

The Corporation has made available to the Purchaser for inspection correct and complete copies (or written summaries of the material terms of oral agreements or understandings) of each material agreement, instrument and commitment of the Corporation, each as amended to the date of this Agreement. Each such agreement, instrument and commitment is a valid, binding and enforceable obligation of the Corporation and to the knowledge of the Corporation, of the other party or parties, and is in full force and effect. Neither the Corporation, nor to the knowledge of the Corporation, any other party, is, or is considered by any other party to be, in breach of any term of any such agreement, instrument or commitment (nor, to the knowledge of the Corporation, is there any basis for any claim of breach), except for any breaches that singly or in the aggregate would not have a Material Adverse Effect.

3.17 Insiders and Conflicts of Interest

Except as contemplated in this Agreement or as set forth in [redacted] there are no Contracts between the Corporation and any Insiders or with any Person in which any such Insider has an interest, other than contracts of employment and employment-related agreements and covenants entered into in the ordinary course of its Business and the Employee IP Agreements. Except as set out in Section 3.17 of the Disclosure Letter, the Corporation has not made any payment or loan to, or borrowed any money from or is otherwise indebted to, any of its Insiders, except for payments made to Insiders who are directors, officers, employees or contractors of the Corporation in respect of bona fide services.

[Reference to confidential document redacted]

3.18 Business Intellectual Property

(a) [redacted] contains a complete and accurate list of all Business IP existing as of the date hereof, except for Commercial Software Licenses, and specifies, for each item, whether the Business IP is Owned IP or Licensed IP, and in the case of Licensed IP, sets forth all contracts entered into in connection with the Licensed IP (except for Commercial Software Licenses).

[Reference to confidential document redacted]

(b) The Business IP, together with Commercial Software Licences, constitutes substantially all of the Intellectual Property necessary to conduct fully the Business as it is currently conducted and as currently proposed to be conducted.

3.19 Intellectual Property Rights

(a) [redacted] the Corporation owns all right, title and interest in and to the Owned IP existing as of the date hereof free and clear of any Liens and, except for any non-exclusive end user licenses granted to customers of the Corporation in the ordinary course of Business, has sole and exclusive rights (and is not contractually obligated to pay any compensation to any other Person in respect of the exercise of such rights) to the use of such Owned IP or the material covered by such Owned IP. The Owned IP existing as of the date hereof does not contain, embody or use, or require for its full and proper operation, any Intellectual Property or Technology, except any Commercial Software Licenses, owned by any other Person.

[Reference to confidential document redacted]

(b) Each Contract entered into in connection with the Licensed IP existing as of the date hereof is valid, subsisting and in good standing, and there is no material default by the Corporation under any such Contract nor is there, to the knowledge of the Corporation, any material default by the other parties to such Contract. The Corporation has the right to sub-license, or to re-sell sub-licences, for the use of the Licensed IP existing as of the date hereof that is currently incorporated in or distributed with, or that the Corporation has contemplated incorporating in or distributing with, the Corporation's products to distributors, resellers and end-users of such products.

(c) To the knowledge of the Corporation, none of the Owned IP existing as of the date hereof nor any service rendered by the Corporation, nor any product currently or proposed to be developed, manufactured, produced or used by the Corporation infringes upon any of the Intellectual Property, Technology or moral rights owned or held by any other Person except. Neither the Corporation, nor, to the knowledge of the Corporation, its directors, officers or employees, have ever received any charge, complaint, claim, demand or notice alleging any interference, infringement, misappropriation or violation with respect to any Business IP existing as of the date hereof (including any claim that the Corporation or such other Persons must license or refrain from using any Intellectual Property or Technology of a third party), nor does the Corporation know of any valid grounds for any bona fide claims.

(d) To the knowledge of the Corporation, there is no unauthorized use, infringement or misappropriation of any Owned IP existing as of the date hereof by any other Person. The Corporation has not agreed with any Person not to sue or otherwise enforce any legal rights with respect to any of such Owned IP.

(e) The Corporation has taken all commercially reasonable steps (including measures to protect secrecy and confidentiality and obtaining waivers of moral rights) to protect the Corporation's right, title and interest in and to all Owned IP existing as of the date hereof. All agents and representatives of the Corporation who have or have had access to confidential or proprietary information of the Corporation relating to the Business IP existing as of the date hereof have a legal obligation of confidentiality to the Corporation with respect to such information.

(f) All of the Owned IP existing as of the date hereof was developed by full-time employees and contractors of the Corporation during the time they were employed or engaged with the Corporation as software, information technology or hardware developers (the "**Developers**"). All of the Developers and other employees and contractors who have or have had access to confidential or proprietary information relating to such Owned IP have duly executed and delivered Employee IP Agreements to the Corporation on or before the date of commencement of their respective employment with the Corporation in the form provided to the Purchaser, which Employee IP Agreements effect the assignment, without additional consideration, to the Corporation of all Intellectual Property conceived or reduced to practice during the course of their employment or engagement with the Corporation. Such Employee IP Agreements provide that the Developers have waived all of their non-assignable rights (including moral rights) in such Intellectual Property. The Corporation on the date hereof is not aware of any material breach of any of the Employee IP Agreements.

(g) [redacted] no Royalty or other amounts are required to be paid by the Corporation in connection with the

[Reference to confidential document redacted]

continued use or exploitation by the Corporation of any Intellectual Property used in the operation of the Business.

3.20 Insurance

[redacted] Such policies of insurance are maintained with reputable insurance companies, funds or underwriters, and, in the opinion of the Corporation, are of the kinds and cover such risks, and are in such amounts and with such deductibles and exclusions, as are consistent with prudent business practice. To the knowledge of the Corporation, all such policies:

[Reference to confidential document redacted]

(a) are, and at all times since the respective start dates of such policies have been, in full force and effect;

(b) are sufficient for compliance in all material respects by the Corporation with all agreements to which the Corporation is a party;

(c) provide that they will remain in full force and effect through the respective expiry dates thereof; and

(d) will not terminate or lapse or otherwise be affected in any way by reason of the completion of the Transaction.

3.21 Brokers

No finder, broker, agent or other intermediary has acted for or on behalf of the Corporation in connection with the negotiation or consummation of the Transaction, and no success fee, broker's fee, commission or similar fees will be payable by the Corporation to any such Person in connection with such transactions.

3.22 No Sale Agreements

[redacted] there are no Contracts, or any right or privilege capable of becoming an agreement, for the purchase of the Business or any of the material assets of the Corporation. The Corporation does not currently maintain any discussions, conditions or proceedings with respect to its sale, merger, consolidation, liquidation or reorganization.

[Reference to confidential document redacted]

3.23 Compliance with Other Instruments, Laws, Etc.

To the knowledge of the Corporation, the Corporation has complied with, and is in compliance with:

(a) all Laws applicable to it and the Business, except for any non-compliance that, either singly or in the aggregate, has not had and could not reasonably be expected to have a Material Adverse Effect; and

(b) its constating documents.

3.24 Absence of Questionable Payments

To the knowledge of the Corporation, neither the Corporation nor, to the knowledge of the Corporation, any director, officer, agent, employee or other Person acting on behalf of the Corporation has used any corporate or other funds for unlawful contributions, payments, gifts or entertainment, or made any unlawful expenditures relating to political activity to government officials or others or established or maintained any unlawful or unrecorded funds in connection with the Business. Neither the Corporation nor, to the knowledge of the Corporation, any current director, officer, agent, employee or other Person acting on behalf of the Corporation has accepted or received any unlawful contributions, payments, gifts or expenditures in connection with the Business.

3.25 Agreements Restricting Business

[redacted] the Corporation is not a party to any agreement or arrangement that restricts the freedom of the Corporation to carry on the Business including any Contract that contains covenants by the Corporation not to compete in any line of business competitive with or similar to the Business with any other Person.

[Reference to confidential document redacted]

3.26 Change of Control

[redacted] the Corporation has not approved, is not contemplating, has not entered into any Contract in respect of, and has no knowledge of:

[Reference to confidential document redacted]

(a) a proposed Change of Control of the Corporation; or

(b) any written or oral agreement, option, understanding or commitment or any right or privilege capable of becoming such, for the purchase, sale, transfer or other disposition of any material property or assets or any interest therein owned directly or indirectly by the Corporation.

3.27 Reporting Issuer Status

(a) The Corporation is a reporting issuer or the equivalent thereof in good standing in each of British Columbia, Alberta and Newfoundland, is not included on a list of defaulting reporting issuers maintained by any of the Canadian securities commissions, and has no reasonable grounds to believe that it will not continue to be a reporting issuer in good standing in each such jurisdiction.

(b) No Canadian securities commission or any similar regulatory authority in any jurisdiction has issued any order which is currently outstanding preventing or suspending trading in any securities of the Corporation, and no such proceeding is, to the knowledge of the Corporation, pending, contemplated or threatened, and the Corporation is not in default of any requirement of applicable securities Laws which would impact the Corporation's ability to complete the Transaction.

(c) The common shares of the Corporation outstanding as of the date hereof are listed on the TSXV. The Corporation has not received any notification that the TSXV is contemplating the termination of such listing.

(d) The Public Information Records, as of their respective dates, do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading as of the date made.

(e) The Corporation has not filed any confidential material change reports which remain confidential as of the date hereof.

3.28 Disclosure

(a) No representation or warranty by the Corporation in this Agreement or in the Disclosure Letter, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact required to be stated in this Agreement or necessary to make the statements contained in this Agreement not false or misleading.

(b) To the knowledge of the Corporation, there is no fact or circumstance relating specifically to the Business or condition of the Corporation that could reasonably be expected to result in a Material Adverse Effect and that is not disclosed in the Disclosure Letter.

(c) The Corporation has made available to the Purchaser or its counsel all information reasonably available to the Corporation that the Purchaser (or its counsel) has requested.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser represents and warrants to the Corporation as follows, and acknowledges that the representations and warranties contained in this Agreement are made by it with the intent that they may be relied upon by the Corporation.

4.1 Corporate Authorization

(a) The execution and delivery of this Agreement and the consummation of the Transaction have been duly authorized by all necessary corporate action on the part of the Purchaser.

(b) This Agreement constitutes, a valid and binding obligation of the Purchaser enforceable against it in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought and except as rights to indemnity and contribution may be limited by applicable Laws.

4.2 Purchasing for Investment Purposes

The Purchaser is acquiring the interest granted to it herein for investment purposes only and not with a view to the resale or distribution of any portion of the Royalty Agreement.

4.3 Purchase as Principal

(a) The Purchaser is acquiring the interest granted to it herein as principal for its own account, and not on behalf of or for the benefit of any other Person.

(b) The Purchaser is an accredited investor as defined in paragraph (m) of the definition of "accredited investor" set out in Section 1.1 of National Instrument - *Prospectus and Registration Exemptions*, but was not created and is not used solely to purchase or hold securities as an accredited investor described in such paragraph.

ARTICLE 5
SURVIVAL AND INDEMNIFICATION

5.1 Survival

Subject to the limitations contained in this Agreement, all representations and warranties contained in this Agreement on the part of each of the Parties will survive the Closing for a period of two years following the date of this Agreement.

5.2 Indemnification Obligations

(a) All covenants, representations and warranties made in this Agreement by the Corporation are deemed to have been relied on by the Purchaser, notwithstanding any investigation made by or on behalf of the Purchaser. The Corporation will indemnify, defend and hold harmless the Purchaser, and each of the Purchaser's shareholders, officers, directors, employees, agents, advisors, representatives and affiliates, and the respective successors, assigns, heirs, executors, administrators and legal and personal representatives of each of the foregoing (each, an "**Indemnitee**"), from and against all damages and losses incurred or suffered by any of them in any capacity and resulting from or relating to the breach by the Corporation of any of the representations, warranties or covenants of the Corporation contained in this Agreement.

(b) The obligations of the Corporation under Section 5.2(a) are subject to the following limitations:

(i) except for the matters referred to in paragraphs (ii) and (iii) hereof, the obligations of the Corporation under Section 5.2(a) will terminate on the date that is two years following the date of this Agreement, except with respect to bona fide claims by any Indemnitee set forth in written notices given by them to the Corporation prior to such date;

(ii) the obligations of the Corporation in respect of any claim relating to Tax matters, including any claim arising out of Section 3.13, will terminate on the date that is 90 days after the relevant Governmental Authorities are no longer entitled to assess or reassess liability for Taxes (other than interest, penalties, fines, additions to Tax or other additional amounts) against the Corporation, having regard to any waivers given by the Corporation in respect of any taxation year, except with respect to bona fide claims by any Indemnitee set forth in written notices given to the Corporation prior to such date; and

(iii) the obligations of the Corporation in respect of any claim based upon fraud or intentional misrepresentation survive indefinitely.

ARTICLE 6
GENERAL

6.1 Notices

Any notice given in connection with this Agreement must be in writing and is sufficiently given if delivered (whether in person, by courier service or other personal method of delivery), or if transmitted by electronic means:

(a) in the case of a notice to the Corporation at:

18 Prescott Street
St. John's, Newfoundland A1C 3S4
Attention: Derrick Rowe
Email: derrickrowe@bluedrop.com

(b) in the case of a notice to the Purchaser at:

243 Queen Street West, 3rd Floor
Toronto, Ontario M5V 1Z4
Attention: William R. Tharp
Email: bill@GrenvilleSRC.com

Any notice delivered or transmitted to a Party in accordance with the foregoing is deemed given and received on the day it is delivered or transmitted if it is delivered or transmitted on a Business Day prior to 5:00 p.m. local time in the place of delivery or receipt. If the notice is delivered or transmitted after 5:00 p.m. local time or if such day is not a Business Day, then the notice is deemed to have been given and received on the next Business Day. Any Party may, from time to time, change its physical address or email address by giving notice to the other Parties in accordance with the provisions of this Section 6.1.

6.2 Announcements

Except as otherwise required by applicable Laws (including in order to comply with continuous disclosure requirements under applicable securities Laws), following the date hereof, the

Corporation may make reasonable disclosure of the completion and nature of the Transaction subject to the prior written consent of the Purchaser, such consent not to be unreasonably withheld or delayed, and, except as otherwise required by applicable Laws, the Purchaser may make reasonable disclosure of the completion and nature of the Transaction with the prior written consent of the Corporation, such consent not to be unreasonably withheld or delayed. The Corporation hereby consents to the disclosure by the Purchaser of the completion and nature of the Transaction to the Purchaser's shareholders and to any other Person in connection with any financing, offering, business combination, going public transaction or similar transaction proposed to be undertaken by the Purchaser. The Purchaser hereby consents to the disclosure by the Corporation of the completion and nature of the Transaction to the Corporation's shareholders and to any other Person in connection with any financing, offering, business combination or similar transaction proposed to be undertaken by the Corporation.

6.3 Facsimile/Adobe Acrobat and Counterparts

This Agreement may be executed via facsimile or scanned Adobe Acrobat (Portable Document Format or PDF) or TIFF document and in any number of counterparts each of which shall be deemed to be an original and all of which when taken together shall be deemed to constitute one and the same instrument and it shall not be necessary in making proof of this Agreement to produce more than one counterpart.

6.4 Further Assurances

The Parties shall with reasonable diligence do all such things and provide all such assurances as may be required or desirable to consummate the Transaction and each Party shall provide such further documents or instruments as may be required or be desired by the other party to effect the purpose of this Agreement and to carry out the provisions of this Agreement, whether before or after any Closing.

6.5 Severability

In case any one or more of the provisions contained in this Agreement is for any reason held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and such invalid, illegal, or unenforceable provision shall be reformed and construed so that it will be valid, legal, and enforceable to the maximum extent permitted by law.

6.6 Delays or Omissions

No delay or omission to exercise any right, power, or remedy accruing to any Party under this Agreement upon any breach or default of the other Party under this Agreement shall impair any such right, power, or remedy of such non-breaching or non-defaulting Party, nor shall it be construed to be a waiver of or acquiescence to any such breach or default, or to any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. All remedies, whether under this Agreement or by law or otherwise afforded to any Party, shall be cumulative and not alternative.

6.7 Acknowledgment re Drafting

Each Party acknowledges and agrees that the Parties have participated jointly in the negotiation and drafting of this Agreement and, therefore, in the event that any ambiguity or a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favouring or disfavouring any Party by virtue of the authorship of any provision hereof.

6.8 No Interest

This Agreement shall not be construed in any manner so as to grant an interest to the Purchaser in any assets or Business IP of the Corporation. The only interest being granted to the Purchaser by the Corporation under this Agreement is the Gross Sales Royalty.

6.9 Confidentiality

Each Party acknowledges that it has had access to confidential and proprietary information concerning the other Party (the "**Confidential Information**"), the disclosure of which would be detrimental to the interests of the other Party. Accordingly, each Party covenants and agrees, subject to Section 6.2, to keep the Confidential Information in strict confidence and not disclose any of such Confidential Information to any Person or use or attempt to use such Confidential Information. Notwithstanding the foregoing, no Party will have liability for any Confidential Information that is:

(a) already in the public domain or comes into the public domain without any breach of this Agreement;

(b) required to be disclosed pursuant to applicable Laws or pursuant to any regulatory or judicial authority having jurisdiction over such Party; or

(c) made to a professional advisor of such Party, in which event such party shall ensure that the recipient is aware of and agrees to comply with the terms of this Section as if a party to this Agreement.

6.10 Assignment

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns; provided, however, that:

(a) the Purchaser may, without the consent of the Corporation, assign its rights and obligations or encumber its interest under this Agreement, in whole or in part, to any Person; and

(b) the Corporation may not assign any of its rights, or assign or delegate any of its obligations, under this Agreement without the prior written consent of the Purchaser (such consent not to be unreasonably withheld by the Purchaser), and any such purported assignment without such prior written consent is void.

For greater certainty, the Gross Sales Royalty shall survive, and shall not in any way be extinguished or impaired by, any: (i) Change of Control of the Corporation; or (ii) any transfer by operation of law or otherwise of this Agreement by the Corporation.

6.11 Payment of Purchaser Expenses

The Corporation will pay all of the reasonable legal fees and disbursements (and in each case applicable Taxes thereon) and other reasonable out-of-pocket expenses incurred by the Purchaser in connection with the Transaction and the various agreements and documents referred to in this Agreement, [redacted] ***[Pricing information redacted]***

[Signature Page Follows]

IN WITNESS WHEREOF each Party has duly executed this Agreement.

BLUEDROP PERFORMANCE LEARNING INC.

By: BE Beckett

Name: B. E. BECKETT

Title: CFO

GRENVILLE STRATEGIC ROYALTY CORP.

By:

Name:

Title:

IN WITNESS WHEREOF each Party has duly executed this Agreement.

BLUEDROP PERFORMANCE LEARNING INC.	**GRENVILLE STRATEGIC ROYALTY CORP.**
By: ______________________	By: ______________________
Name:	Name: William R. Sharp
Title:	Title: CEO

SCHEDULE "A"

DEFINED TERMS

Whenever used in this Agreement, the following words and terms have the following meanings:

"**Affiliate**" has the meaning given to it in National Instrument 45-106 - *Prospectus and Registration Exemptions*.

"**Agreement**" means this royalty purchase agreement, including all schedules and all amendments or restatements, and references to "Article" or "Section" mean the specified Article or Section of this Agreement.

"**Annual Financial Statements**" means the audited consolidated financial statements of the Corporation for the twelve-month period ended September 30, 2012.

"**Business**" means the business currently carried on or proposed to be carried on by the Corporation.

"**Business Day**" means a day, other than a Saturday or Sunday, on which the principal commercial banks located in St. John's, Newfoundland and Toronto, Ontario are open for business during normal banking hours.

"**Business IP**" means the Owned IP and the Licensed IP.

"**Business Unit**" has the meaning given to it in Section 2.7(a)(ii).

"**Buyout Notice**" has the meaning given to it in Section 2.7(a)(i).

"**Buyout Option**" has the meaning given to it in Section 2.7(b).

"**Change of Control**" of a person (the "**Subject Person**") means the consummation of any transaction, including any consolidation, arrangement, amalgamation or merger or any issue, transfer or acquisition of voting shares, the result of which is that any other person or group of other persons acting jointly or in concert for purposes of such transaction: (i) becomes the beneficial owner, directly or indirectly, of more than 50% of the voting shares of the Subject Person; or (ii) acquires control of the Subject Person; provided that a Change of Control shall not include any transaction that results in a change in the beneficial share ownership of a person, or acquisition of control of a person, if a majority of that person's voting shares were listed on a public exchange immediately prior to such transaction.

[redacted] *[Reference to redacted definitions redacted]*

"**Closing**" means the completion of the Transaction.

"**Commercial Software Licenses**" means "shrink-wrap", "web-wrap", "click-wrap" or other similar generic licenses for commercially available software available to the public, and that are not, individually or in the aggregate, material to the Business.

"**Confidential Information**" has the meaning given to it in Section 6.9.

"**Contract**" means any written or oral agreement, contract, understanding, arrangement, instrument, note, guarantee, indemnity, warranty, deed, assignment, power of attorney, commitment, covenant or undertaking of any nature.

"**Corporation**" means, collectively, Bluedrop Performance Learning Inc. and each of its present and future Affiliates, and for greater certainty each reference in this Agreement to "**Corporation**" (including in any representation, warranty, covenant or obligation given in this Agreement or the interpretation of any provision or term hereof, including in respect of a determination of whether an Event of Default has occurred) shall be deemed to include reference to each Affiliate of Bluedrop Performance Learning Inc., unless the context otherwise so requires, and includes any assignee of the Corporation pursuant to an assignment made in accordance with Section 6.10(b).

"**Developers**" has the meaning given to it in Section 3.19(f).

"**Disclosure Letter**" means the Disclosure Letter delivered by the Corporation to the Purchaser on the date hereof, as the same may be updated as of each applicable date of Closing.

"**Employee IP Agreements**" means agreements relating to proprietary information and assignment of inventions to the Corporation by employees and consultants of the Corporation.

"**Event of Default**" means the occurrence of any of the following:

(a) if the Corporation makes a default in payment of any Payment or in payment of any indebtedness or liability of the Corporation to the Purchaser when due;

(b) if the Corporation defaults in the observance or performance of any covenant or undertaking given by the Corporation to the Purchaser, whether on or after the date hereof, and whether contained in this Agreement or otherwise;

(c) if there is a material incorrectness in any representation or warranty given by the Corporation to the Purchaser in this Agreement;

(d) if an order is made or an effective resolution passed for the winding-up or liquidation of the Corporation, or if a petition is filed for the winding-up of the Corporation;

(e) if the Corporation commits an act of bankruptcy, makes a general assignment for the benefit of its creditors, ceases to carry on the Business or becomes insolvent within the meaning of the *Bankruptcy and Insolvency Act* (Canada) or similar legislation of any other jurisdiction;

(f) if a bankruptcy petition is filed or presented against the Corporation, or if any proceedings with respect to the Corporation are commenced under the *Companies' Creditors Arrangement Act* (Canada), the *Bankruptcy and Insolvency Act* (Canada) or any similar legislation of any other jurisdiction providing protection for the benefit of the Corporation; or if an execution, sequestration, or any other process of any court becomes enforceable against the Corporation or if a distress or analogous process is levied upon the property of the Corporation or any part of the property of the Corporation;

(g) the Corporation commits a breach or default of, or under, any agreement, document or instrument relating to any material indebtedness for borrowed money owing to any person other than the Purchaser (including any payment default), which breach or default continues for more than the applicable cure period, if any, with respect thereto; or

(h) any trustee in bankruptcy, interim receiver, receiver, receiver and manager, custodian, sequestrator, administrator, monitor or liquidator of any other person with similar powers is appointed in respect of the Corporation or any of its assets or property.

"**Financial Statements**" means, collectively, the Annual Financial Statements and the Interim Financial Statements.

[redacted] *[Reference to redacted definitions redacted]*

"**Governmental Authority**" means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal, governmental or administrative dispute settlement panel or body or other law, rule or regulation-making entity:

(a) having or purporting to have jurisdiction on behalf of any nation, province, territory, state or other geographic or political subdivision thereof; or

(b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

"**Gross Sales Royalty**" has the meaning given to it in Section 2.1.

"**Growth Rate Factor**" has the meaning given to it in Section 2.7(a)(ii)(B).

"**IFRS**" means International Financial Reporting Standards.

"**Indemnitee**" has the meaning given to it in Section 5.2(a).

"**Initial Installment**" has the meaning given to it in Section 2.2.

"**Insiders**" means:

(a) directors, officers, shareholders or employees of the Corporation; and

(b) any other Person not dealing at arm's length (within the meaning of the *Income Tax Act* (Canada)) with the Corporation or any Affiliate or associate (as defined in the *Business Corporations Act* (Alberta)) of the Corporation or of any of the Persons referred to in paragraph (a).

"**Installments**" means, collectively, the Initial Installment and the Second Installment, and individually means either one of them.

"**Intellectual Property**" means any or all of the following and all proprietary intellectual property and other rights in, arising out of or associated with:

(a) all patents and utility models and applications therefore and all provisionals, re-issuances, continuations, continuations-in-part, divisions, revisions, supplementary protection certificates, extensions and re-examinations thereof and all equivalent or similar rights anywhere in the world in inventions and discoveries, including invention disclosures ("**Patents**");

(b) all registered and unregistered trade-marks, service marks, trade names, trade dress, logos, business, corporate and product names and slogans and registrations, and applications for registration thereof ("**Trade-marks**");

(c) all copyrights in copyrightable works, and all other rights of authorship, worldwide, and all applications, registrations and renewals in connection therewith ("**Copyrights**");

(d) all maskworks, maskwork registrations and applications therefor, and any equivalent or similar rights in semiconductor masks, layouts, architectures or topologies ("**Maskworks**"); and

(e) all World Wide Web addresses, domain names and sites and applications and registrations therefor ("**Domain Names**").

"**Interim Financial Statements**" means, collectively, the unaudited, management-prepared financial statements of the Corporation for the 9 months ended June 30, 2013.

"**IP Revenue**" means all revenue of any kind directly or indirectly earned or received by the Corporation in connection with the sale, licensing or other disposition by the Corporation or any third party, to any third party, of any product or service utilizing, incorporating or in any way exploiting the Business IP including, without limitation, all royalties or other forms of compensation earned or received by the Corporation in connection therewith; but, for greater certainty, excludes:

(a) any amount received by the Corporation in the form of a grant or other form of funding (including funding for research purposes), incentive, loan, advance, exemption, tax reduction, tax credit, subsidy or similar benefit from any Governmental Authority, institution or organization, including funding provided in respect of the Industrial and Regional Benefits (IRB) Policy;

(b) subject to compliance with Section 2.8(o), any amount received by the Corporation in respect of any Business IP where such sale is made in the context of a sale of all or substantially all of the assets of the Business;

(c) any amount received by the Corporation from business operations acquired by the Corporation after the date hereof where such revenue is directly or indirectly derived from the sale, licensing or other disposition by the Corporation or any third party of any product or service utilizing, incorporating or in any way exploiting the Intellectual Property, assets, operations, services or other commercial wares of such acquired business operations ("**Acquired IP**"); provided, however, that revenue derived directly or indirectly from the sale, licensing or other disposition by the Corporation or any third party of any product or service utilizing, incorporating or in any way exploiting any Acquired IP shall form part of IP Revenue to the extent that inclusion of such revenue is necessary in order to achieve the financial model attached hereto as Schedule "B", which includes a 10% annual revenue growth rate starting with monthly IP Revenues of $1,685,383 in January, 2014;

(d) any amount received by the Corporation from an Affiliate in connection with the sale, licensing or other disposition by the Corporation of any product or service utilizing, incorporating or in any way exploiting the Business IP;

(e) any amount received by the Corporation which is required to be paid by the Corporation: (i) to agents or resellers of the Corporation; or (ii) to third parties on account of shipping, duties or customs charges;

(f) applicable Taxes; and

(g) any amounts not properly classified as revenue under IFRS.

For greater certainty: (i) IP Revenue shall be deemed to be reduced by the aggregate of all sales credits and returns; and (ii) all revenue earned by the Corporation for which payment is received by the Corporation but where such revenue is treated by the Corporation as deferred revenue under IFRS shall be deemed to form part of IP Revenue during the month in which such payment is received and shall be subject to the Gross Sales Royalty.

"**Laws**" means applicable laws (including common law), statutes, codes, by-laws, rules, regulations, orders, ordinances, protocols, codes, guidelines, treaties, policies, notices, directions, decrees, judgments, awards or requirements, in each case of any Governmental Authority.

"**Licensed IP**" means all Intellectual Property and Technology that the Corporation uses or has a right to use, including all Intellectual Property and Technology that the Corporation uses or has a right to use at any time after the date hereof, in the conduct of the Business under a Contract with another Person.

"**Liens**" means any lien, hypothec, mortgage, security interest, charge, encumbrance, pledge, option, pre-emptive right, or transfer restriction other than, in the case of references to securities, any transfer restriction arising under applicable securities Laws solely by reason of the fact that such securities were issued pursuant to exemptions from registration or prospectus requirements under such securities Laws.

"**Material Adverse Effect**" means any effect, change, event, occurrence or development with respect to the Corporation or the Business, taken as a whole and as a going concern, that is or is reasonably likely to be materially adverse to the results of the Business or the Corporation's affairs, properties, assets, liabilities or condition (financial or otherwise), operations or capital, or that is materially adverse to the completion of the Transaction.

"**Outstanding Amount**" has the meaning given to it in Section 2.7(b).

"**Outstanding Royalty Acquisition Amount**" means, as of the applicable date on which such amount is determined, an amount equal to the Royalty Acquisition Amount less the aggregate of all Royalty Payments then paid to the Purchaser.

"**Owned IP**" means all Intellectual Property and Technology that the Corporation owns, including all Intellectual Property and Technology owned by the Corporation at any time after the date hereof, excluding Acquired IP.

"**Parties**" means the Corporation and the Purchaser, and "**Party**" means either one of them.

"**Person**" means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate or Governmental Authority, and where the context requires, any of the foregoing when they are acting as trustee, executor, administrator or other legal representative.

"**Public Information Records**" means any material change reports, financial statements, management's discussion and analysis, prospectuses, management information circulars, annual and interim reports to shareholders, annual information forms, and any other document filed by or on behalf of the Corporation on SEDAR, in compliance, or intended compliance, with any applicable securities Laws, on or prior to the date hereof.

"**Purchaser**" means Grenville Strategic Royalty Corp., and any assignee thereof pursuant to an assignment made in accordance with Section 6.10(a).

"**Registered IP**" means all Canadian, United States, international and foreign:

(a) Patents;

(b) registered Trade-marks, applications to register Trade-marks, including intent-to-use applications or other registrations or applications related to Trade-marks and Domain Name registrations;

(c) Copyrights registrations and applications to register Copyrights;

(d) Maskwork registrations and applications to register Maskworks; and

(e) Technology that is the subject of an application, certificate, filing, registration or other document issued by, filed with, or recorded by, any Governmental Authority at any time.

[redacted]

[Reference to redacted definitions redacted]

"**Second Installment**" has the meaning given to it in Section 2.2.

"**subsidiary**" has the meaning given to it in National Instrument 45-106 - *Prospectus and Registration Exemptions*.

"**Tax**" or "**Taxes**" means all taxes, assessments, charges, duties, fees, levies, or other governmental charges, including all federal, provincial, state, local, foreign and other income, corporation, franchise, profits, capital gains, estimated, sales (including HST), use, transfer, registration, value added, excise, natural resources, severance, stamp, occupation, premium, environmental, customs, duties, imposts, immovable property, personal property, capital stock, unemployment, disability, payroll, license, employee, deficiency assessments, withholding and other taxes, assessments, charges, duties, fees, levies or other governmental charges (whether payable directly or by withholding and whether or not requiring the filing of a Tax Return), and any interest, penalties, or additions to tax in respect of the foregoing and includes any liability for such amounts as a result either of being a member of a combined, consolidated, unitary or affiliated group or of a contractual obligation to indemnify any Person or other entity.

"**Tax Return**" means any return, declaration, report, claim for refund, information return or other document (including any related or supporting estimates, elections, schedules, statements or information) filed or required to be filed in connection with the determination, assessment or collection of any Tax or the administration of any Laws relating to any Tax.

"**Technology**" means:

(a) works of authorship including computer programs, source code and executable code, whether embodied in software, firmware or otherwise, documentation, designs, methods, techniques, processes, files, industrial models, schematics, specifications, net lists, build lists, records and data;

(b) inventions (whether or not patentable), improvements, enhancements and modifications;

(c) proprietary and confidential business and technical information, including technical data, trade secrets, ideas, research and development and know how; and

(d) databases, data compilations and collections and technical data.

"**TSXV**" means the TSX Venture Exchange Inc.

"**Transaction**" means the transactions contemplated in this Agreement.

SCHEDULE "B"

FINANCIAL MODEL

Annual Growth Rate	10%												
Monthly Growth Rate	0.83333%	**Feb**	**Mar**	**Apr**	**May**	**June**	**July**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**2014**
2014 Revenue Forecast	$1,685,383	$1,699,428	$1,713,590	$1,727,870	$1,742,269	$1,756,787	$1,771,427	$1,786,189	$1,801,074	$1,816,083	$1,831,217	$1,846,477	$21,177,79

Beyond 2014, the same 0.8333% monthly growth rate applies to calculation of threshold for inclusion of acquisition revenues