

SEDAR VERSION

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EXECUTION COPY

INNOVATION METALS CORP.

and

UCORE RARE METALS INC.

and

THE PERSONS NAMED IN EXHIBIT A HERETO

SHARE PURCHASE AGREEMENT
April 25, 2020

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SHARE PURCHASE AGREEMENT

This Share Purchase Agreement is made as of April 25, 2020,

BETWEEN:

INNOVATION METALS CORP., a corporation existing under the laws of the Province of British Columbia (the “**Target Corporation**”)

- and -

UCORE RARE METALS INC., a corporation existing under the laws of the Province of Alberta (the “**Purchaser**”)

- and -

THE PERSONS NAMED ON EXHIBIT A HERETO (collectively, the “**Sellers**” and each, a “**Seller**”)

RECITALS:

WHEREAS, the Sellers, directly or indirectly, are the owners of all the issued and outstanding common shares in the capital of the Target Corporation (the “**Purchased Shares**”);

WHEREAS, the Target Corporation is the sole legal and beneficial owner of the REE Technology, subject to subsection 3.1(gg)(v);

WHEREAS, pursuant to the terms of a non-binding letter of intent dated February 10, 2020 between the Purchaser and the Target Corporation (the “**Initial LOI**”), the Purchaser and the Target Corporation initially agreed to enter into a definitive agreement, pursuant to which the Purchaser and the Target Corporation would form a new joint venture focused on the further business development and commercialization of the REE Technology for the separation of REEs;

WHEREAS, the Purchaser, the Target Corporation and the Sellers have since decided to complete a different type of transaction, whereby, instead of forming a new joint venture between the Purchaser and the Target Corporation, as initially contemplated by the Initial LOI, the Sellers now wish to sell to the Purchaser, and the Purchaser now wishes to purchase from the Sellers, the Purchased Shares, on and subject to the terms and conditions contained in this Agreement;

WHEREAS based on the foregoing, the Purchaser and the Target Corporation, with the unanimous support of the board of directors of the Target Corporation (the “**Seller Board**”), entered into a non-binding amended and restated letter of intent dated April 11, 2020 (the “**Amended LOI**”) to amend and replace in its entirety the Initial LOI, and to set out the general terms and conditions on which the Purchaser shall acquire the Purchased Shares from the Sellers;

WHEREAS, as a result of the transactions contemplated hereby, the Purchaser shall acquire all of the legal and beneficial interest in the Target Corporation by purchasing the Purchased Shares;

WHEREAS, following and in connection with the Purchaser's acquisition of the Purchased Shares, the Purchaser shall (i) make certain changes to its senior management and board of directors (the “**Purchaser Board**”) and (ii) provide the newly-acquired Target Corporation with a non-interest bearing loan in the amount of \$500,000 for the continued development of the REE

Technology and the initiation of the development of the RapidSX™ Commercial Demonstration Plant (the “CDP”); and

WHEREAS, all capitalized terms used but not defined in these recitals have the meaning ascribed to them in Section 1.1.

NOW THEREFORE, in consideration of the mutual agreements, covenants and premises specified herein, the mutual benefits to be gained by the performance thereof and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and accepted, the Parties hereby agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Defined Terms.

As used in this Agreement the capitalized terms listed below shall have the corresponding meanings.

- (a) “**AIM**” has the meaning specified in Section 9.2.
- (b) “**Acquisition Proposal**” has the meaning specified in Section 5.6(a).
- (c) “**Affiliate**” shall mean, with respect to any specified Person, any other Person who, directly or indirectly, Controls, is Controlled by, or is under common Control with such Person.
- (d) “**Agreement**” means this share purchase agreement and all exhibits and schedules hereto, in each case as they may be amended or supplemented by the Parties in accordance with the terms hereof.
- (e) “**Amended LOI**” has the meaning specified in the Recitals.
- (f) “**Ancillary Agreements**” means all agreements, certificates and other instruments delivered or given pursuant to this Agreement, including, but not limited to, the Confidentiality Agreement and any agreements with employees.
- (g) “**Applicable Securities Laws**” means all applicable securities laws in all jurisdictions relevant to the securities of the Purchaser, including the rules and policies of any stock exchange.
- (h) “**Assets**” means all material property and assets of the Target Corporation and its Subsidiaries of every nature and kind and wheresoever situated.
- (i) “**Attorney-in-Fact**” has the meaning specified in Section 10.12.
- (j) “**Authorization**” means, with respect to any Person, any consent, waiver, permit, certificate, exemption, order, approval, agreement, amendment, confirmation, licence or other authorization of any Governmental Entity having jurisdiction over the Person.
- (k) “**Books and Records**” means all information in any form relating to the Business, including books of account, accounting, financial, business, marketing, personnel and research information and records, Tax Returns and related working papers,

equipment logs, operating guides and manuals and all other documents, files, correspondence and other information.

- (l) **"Business"** means the current and future business of the Target Corporation and its Subsidiaries, including without limitation, the business relating to REEs, lithium, cobalt and environmental remediation.
- (m) **"Business Day(s)"** shall mean each day that is not a Saturday, Sunday or other day on which Purchaser is closed for business or banking institutions located in Toronto, Ontario are authorized or obligated by Law or executive order to close.
- (n) **"Calculation Time"** means 11:59 p.m. (Toronto time) on the day immediately prior to the Closing Date.
- (o) **"CASL"** has the meaning specified in subsection 3.1(ii)(i).
- (p) **"CDP"** has the meaning specified in the Recitals.
- (q) **"Claim"** means any actual or threatened civil, criminal, administrative, regulatory, arbitral or investigative action, suit, investigation or proceeding and any claim, arbitration or demand resulting therefrom, at law or in equity or by any Person.
- (r) **"Closing"** means the completion of the transaction of purchase and sale contemplated in this Agreement.
- (s) **"Closing Consideration Shares"** has the meaning specified in Section 2.3.
- (t) **"Closing Date"** means the date that is one (1) Business Days after the satisfaction or waiver of the last of the Closing conditions set out in this Agreement.
- (u) **"Confidential Information"** has the meaning specified in Section 5.7.
- (v) **"Confidentiality Agreement"** has the meaning specified in Section 5.7.
- (w) **"Contract"** shall mean any mortgage, indenture, lease, contract, covenant, plan, insurance policy or other agreement, instrument, arrangement, obligation, understanding or commitment, permit, concession, franchise or license, whether oral or written.
- (x) **"Control"** shall mean:
 - (i) in relation to a corporation, the beneficial ownership by a Person at the relevant time of shares of such corporation carrying all of the voting rights ordinarily exercisable at meetings of shareholders of the corporation and where such voting rights are sufficient to elect a majority of the directors of the corporation or where the Person has the power to direct or cause the direction of the management, policies or affairs of the corporation through such voting rights, by contract or otherwise;
 - (ii) in relation to a partnership, limited liability company or joint venture, the beneficial ownership by a Person at the relevant time of all of the ownership interests of the partnership, limited liability company or joint venture, where the Person has the power to direct or cause the direction of the

management, policies or affairs of the partnership, limited liability company or joint venture through voting securities, by contract or otherwise;

- (iii) in relation to a trust, the beneficial ownership by a Person at the relevant time, of all of the property settled under the trust or where the Person has the power to direct or cause the direction of the management, policies or affairs of the trust through beneficial ownership, by contract or otherwise; and
 - (iv) and the words “Controlled by”, “Controlling” and similar words have corresponding meanings; the Person who Controls a Controlled entity shall be deemed to Control a corporation, partnership, limited liability company, joint venture or trust which is Controlled by the Controlled entity, and so on.
- (y) **“Damages”** means, whether or not involving a Third Party Claim, any actual loss, cost, liability, claim, interest, fine, penalty, assessment, Taxes, damages available at law or in equity, expense (including reasonable consultant’s and expert’s fees and expenses and reasonable costs, fees and expenses of legal counsel on a full indemnity basis, without reduction for tariff rates or similar reductions and reasonable costs, fees and expenses of investigation, defence or settlement) or diminution in value”.
- (z) **“Direct Claim”** has the meaning specified in Section 8.4.
- (aa) **“Disposal”** means any disposal of substances or materials by any means, including dumping, incineration, spraying, pumping, injecting, depositing or burying.
- (bb) **“Employee”** shall mean current or former employee, consultant, dependent or independent contractor or advisor of the Target Corporation.
- (cc) **“Employee Plan”** shall mean each plan, program, arrangement, undertaking, policy, practice or Contract providing for incentive or deferred compensation, severance, relocation, retention or change in control compensation or benefits, termination pay, retirement pay, profit-sharing, performance awards, equity or equity-related awards, vacation, medical, health and welfare, retiree medical, disability, death or fringe benefits or other benefits, which is or has been sponsored, maintained or contributed to, or required to be sponsored, maintained or contributed to by the Target Corporation for the benefit of any Employee (or any spouse, dependent, survivor or beneficiary of any Employee) or with respect to which the Target Corporation has or may have any Liability, excluding any statutory benefit plans which the Target Corporation is required to participate in or comply with, including the Canada and Ontario Pension Plans and plans administered pursuant to applicable health tax, workplace safety insurance and employment insurance legislation.
- (dd) **“Environment”** means the air, surface water, ground water, body of water, any land (including surface land and sub-surface strata), soil or underground space, all living organisms and the interacting natural systems that include components of the air, land, water and inorganic matters and living organisms, and the environment or natural environment as defined in any Environmental Law, and **“Environmental”** shall have a corresponding meaning.

- (ee) **“Environmental Law”** means any and all applicable Laws that relate to pollution or the protection of the Environment as well as to Hazardous Substances as they pertain to the Environment.
- (ff) **“Environmental Notice”** means any written directive, investigation, proceeding, letter or other written communication from any Governmental Entity relating to non-compliance or potential non-compliance with or breach of or potential breach of any Environmental Law.
- (gg) **“Existing Purchaser Relationships”** means, collectively, the Purchaser’s relationships with: (i) the Alaska Industrial Development and Export Authority (AIDEA); (ii) the rare earth consortium comprised of the Purchaser, Materion Corporation, Solvay, Mech-Chem Associates and SGS Canada, which was established for the purpose of preparing and submitting a bid to the United States Industrial Base Analysis and Sustainment (IBAS) program; and (iii) the Light Rare Earth Element (LREE) “Funding Opportunity Announcement” (FOA) of the United States Department of Defense (DOD).
- (hh) **“Financial Statements”** means the combined and consolidated audited financial statements of the Target Corporation for the years ended December 31, 2018 and December 31, 2019.
- (ii) **“Fundamental Representations”** means all of the representations and warranties specified herein, excluding Section 3.1(a) (*Organization of the Target Corporation*), Section 3.1(b) (*Extra-Provincial Registrations*), Section 3.1(c) (*Authority and Enforceability*), Section 3.1(e) (*Subsidiaries*) and Section 3.1(II) (*Brokers*).
- (jj) **“GAAP”** shall mean generally accepted accounting principles, consistently applied, as defined by the Accounting Standards Board of the Canadian Institute of Chartered Accountants in the Handbook of the Canadian Institute of Chartered Accountants as they exist on the date of this Agreement.
- (kk) **“Governing Documents”** means, with respect to any Person, (i) if a company or corporation, the certificate of incorporation, notice of articles, articles and by-laws; (ii) if a partnership, the partnership agreement and any declaration or statement of partnership required to be filed with any Governmental Entity in order to form the partnership or, in the case of a limited partnership, maintain the limited liability of any partners; (iii) if a limited liability company, the articles of organization and operating agreement; (iv) if another type of Person, any other charter or similar document adopted or filed with any Governmental Entity in connection with the creation, formation or organization of the Person; (v) all shareholders’ or equityholders’ agreements, voting agreements, voting trust agreements, joint venture agreements, registration rights agreements, trust agreements or other agreements or documents relating to the organization, management or operation of such Person or relating to the rights, duties and obligations of the shareholders or equityholders of such Person; and (vi) any amendment or supplement to any of the foregoing.
- (II) **“Governmental Entity”** means: (i) any government, governmental or public department, central bank, court, minister, governor-in-council, cabinet, commission, tribunal, arbitral body, board, bureau, agency, commissioner or instrumentality, whether international, multinational, national, federal, provincial,

state, regional, county, municipal, local, or other; (ii) any subdivision or authority of any of the above; (iii) any stock exchange; and any quasi-governmental or private body exercising any regulatory, expropriation or (iv) taxing authority under or for the account of any of the above; and includes the TSXV.

- (mm) **“Governmental Order”** means any order, charge, writ, declaration, judgment, injunction, decree, stipulation, determination, award, decision, sanction, subpoena, verdict or ruling entered, issued, made or rendered by or with any Governmental Entity or arbitrator.
- (nn) **“Hazardous Substance”** means, collectively, petroleum, any petroleum product, any radioactive material (including radon gas), explosive or flammable materials, asbestos in any form, urea-formaldehyde foam insulation, and polychlorinated biphenyls, any pollutant, contaminant, waste, hazardous substance, hazardous material, hazardous waste, toxic substance, dangerous substance, dangerous good, restricted hazardous waste, toxic substance or a source of contamination, as defined or identified in any Environmental Law.
- (oo) **“Hexagon”** has the meaning set out in Section 9.2.
- (pp) **“Hexagon-IMC Joint Venture”** has the meaning set out in Section 9.2.
- (qq) **“Hexagon Option”** has the meaning set out in Section 9.2.
- (rr) **“HST/GST”** means the goods and services tax or the harmonized sales tax, as the case may be, levied under Part IX of the *Excise Tax Act* (Canada) and the relevant provincial legislation.
- (ss) **“IFRS”** means the International Financial Reporting Standards as issued by the International Accounting Standards Board.
- (tt) **“Indebtedness”** of any Person means, any liability, together with any accrued and unpaid interest thereon and any prepayment, breakage, make-whole, or other penalties and any fees and expenses thereunder due upon repayment thereof, (i) for borrowed money or in respect of loans or advances, or obligations in substitution or exchange thereof (including the current portion thereof and any accrued interest), (ii) for the payment of money relating to leases that are classified as capitalized lease obligations by the Target Corporation in accordance with GAAP, (iii) in respect of letters of credit and bankers’ acceptances or similar credit, performance or surety transactions, but only to the extent drawn at on the Closing Date, (iv) all obligations under any swap, hedging, derivatives or similar agreement or arrangement or any exchange rate agreement, interest rate protection agreement or similar agreement or arrangement, (v) any obligations to pay the deferred purchase price of, or other costs and expenses related to the acquisition of, assets, businesses, property, goods or services completed prior to the Closing Date (including earn-outs, Sellers’ notes, holdbacks and direct financing leases or other unpaid purchase price obligations or similar obligations), (vi) guaranteeing obligations of any other Person of the type described in the foregoing clauses, and (vii) any amounts owing in respect of declared but unpaid dividends
- (uu) **“Indemnification Claim”** has the meaning specified in Section 8.3.
- (vv) **“Indemnification Notice”** has the meaning specified in Section 8.3.

- (ww) **"Indemnified Party"** means a Person with indemnification rights or benefits under this Agreement including pursuant to Article 8.
- (xx) **"Indemnifying Party"** means a Party against which a Claim may be made for indemnification under this Agreement, including pursuant to Article 8.
- (yy) **"Initial LOI"** has the meaning specified in the Recitals.
- (zz) **"Intellectual Property"** means domestic and foreign: (i) patents, provisional patent applications, applications for patents and reissues, divisions, continuations, renewals, extensions and continuations-in-part of patents or patent applications; (ii) proprietary and non-public business information, including inventions (whether patentable or not), invention disclosures, improvements, discoveries, trade secrets, confidential information, know-how, methods, processes, designs, technology, technical data, schematics, formulae and customer lists, and documentation relating to any of the foregoing; (iii) copyrights, copyright registrations and applications for copyright registration, and moral rights; (iv) designs, design registrations, design registration applications, industrial designs, industrial design applications, industrial design registrations; (v) trade names, business names, corporate names, domain name registrations, website names and world wide web addresses, website content, social media accounts, social media account content, common law trademarks, trademark registrations, trade mark applications, trade dress and logos, and the goodwill associated with any of the foregoing; and (vi) any other intellectual property and industrial property.
- (aaa) **"Intellectual Property Rights"** means all industrial, proprietary and intellectual property rights throughout the world whether protectable by statute, at common law or in equity, whether or not registered or registrable, in any and all of the following: business names, trademarks, service marks, trade names, logos, copyright and similar rights, documents, reports, testing summaries and analysis, materials, specifications, discoveries, and inventions (including all patents and patent applications), industrial designs (including all industrial designs and industrial design applications), technology, trade secrets and know-how, concepts, ideas, methodologies, processes, software (in any format), information (including, where applicable, Information), data, algorithms, formulas, designs, Intellectual Property, and all other industrial, proprietary and intellectual property and rights therein, and including but not limited to all rights in relation to use, exploitation or reproduction of any and all of the foregoing, and all moral rights and goodwill in any and all of the foregoing.
- (bbb) **"Interim Period"** means the period between the close of business on the date of this Agreement and the Closing Date.
- (ccc) **"Insurance Policies"** has the meaning set out in Section 3.1(ee).
- (ddd) **"Investment Agreement"** has the meaning set out in Section 9.2.
- (eee) **"IP Assignment"** means the assignment of intellectual property in the form provided in Schedule 3.1(gg)(vi) of the Seller Disclosure Letter.
- (fff) **"Issue Price"** has the meaning specified in Section 2.3.

- (ggg) **“Knowledge”** shall mean, (i) with respect to the Target Corporation, the actual knowledge of the Principals, (ii) with respect to the Sellers, the actual knowledge of the Sellers, and (ii) with respect to the Purchaser, the actual knowledge of the Purchaser Board, in each case after reasonable inquiry.
- (hhh) **“Law”** means, with respect to any Person, property, transaction, event or other matter, (i) any foreign or domestic constitution, treaty, law, statute, regulation, code, ordinance, principle of common law or equity, rule, municipal by-law, Governmental Order or other requirement having the force of law, (ii) any policy, practice, protocol, standard or guideline of any Governmental Entity which, although not necessarily having the force of law, is regarded by such Governmental Entity as requiring compliance as if it had the force of law, in each case relating or applicable to such Person, property, transaction, event or other matter and also includes, where appropriate, any interpretation of Law (or any part thereof) by any Person having jurisdiction over it, or charged with its administration or interpretation.
- (iii) **“Liabilities”** shall mean all debts, liabilities, Indebtedness, commitments, losses, deficiencies, duties, charges, Claims, Damages, demands, costs, fees, expenses and obligations (including guarantees, endorsements and other forms of credit support), whether accrued or fixed, absolute or contingent, matured or unmatured, known or unknown, on or off balance sheet, including those arising under any Contract, Law, statute, ordinance, regulation, rule, code, common law or other requirement or rule enacted or promulgated by any Governmental Entity or any litigation, court action or proceeding, lawsuit, originating application to an employment tribunal or binding arbitration. Without limiting the foregoing, for greater clarity, Liabilities of the Target Corporation include accounts payable, royalties payable, and other reserves, accrued bonuses, accrued vacation, employee expense obligations and all other Liabilities of the Target Corporation whether or not such Liabilities shall be required to be reflected on a balance sheet or financial statement in accordance with GAAP.
- (jjj) **“Licences”** means all permits, licences, franchises, approvals, Authorizations, registrations, certificates, variances and similar rights obtained, or required to be obtained, from Governmental Entities in order to operate the Business.
- (kkk) **“Lien”** means any mortgage, charge, pledge, hypothec, security interest, assignment, lien (statutory or otherwise), easement, encroachment, option, title retention agreement, adverse Claim, interest, preference, priority, proxy, right of first refusal or first offer, transfer restriction (other than restrictions under applicable Laws) or arrangement, conditional sale, deemed or statutory trust, restrictive covenant or other encumbrance of any nature which, in substance, secures payment or performance of an obligation.
- (III) **“Losses”** means losses, damages, liabilities, Proceedings, penalties, Taxes, Liens, costs or expenses, including interest, penalties and reasonable expenses of investigation and reasonable fees and expenses of counsel and other representatives retained in connection therewith.
- (mmm) **“Material Adverse Change – Purchaser”** means any event, change, effect, state of facts, circumstance, development or occurrence that, individually or together with any other event, change, effect, state of facts, circumstance, development, or occurrence, is, or could reasonably be expected to be, materially adverse to: (i)

the current or future business, condition (financial or otherwise), assets, operations, results of operations, prospects or Liabilities (contingent or otherwise) of the Purchaser; (ii) the Purchaser's ability to consummate the transactions contemplated hereby; or (iii) the Purchaser's financial ability to operate the Business immediately after Closing in the manner operated by the Target Corporation before Closing, provided that a Material Adverse Change – Purchaser shall not include an adverse change resulting from a change:

- (A) that results from general economic, financial, currency exchange, interest rate or securities market conditions in Canada or the United States;
- (B) that results from acts of war, sabotage or terrorism, military actions or the escalation thereof;
- (C) that results from changes in applicable accounting rules or principles, including changes in GAAP;
- (D) that is a direct result of any matter permitted by this Agreement or consented to in writing by the applicable Party; or
- (E) that results from the announcement of this Agreement or the transactions contemplated herein or in any Ancillary Agreement;

provided further, however, that (i) with respect to clauses (A) through to and including (C), such matter does not have a materially disproportionate effect on the Purchaser, relative to other comparable companies and entities operating in the industry in which the Purchaser operates; and (ii) notwithstanding clauses (A) through to and including (E) (or the proviso following clauses (A) through to and including (E)), the occurrence of any event, change, effect, state of facts, circumstance, development or occurrence that is or could reasonably be expected to result in a failure to obtain or failure to be in compliance with a material Authorization of the Purchaser shall be deemed to constitute a Material Adverse Change – Purchaser.

(nnn) **“Material Adverse Change – Target”** means any event, change, effect, state of facts, circumstance, development or occurrence that, individually or together with any other event, change, effect, state of facts, circumstance, development, or occurrence, is, or could reasonably be expected to be, materially adverse to: (i) the current or future business, condition (financial or otherwise), Assets, operations, results of operations, prospects or Liabilities (contingent or otherwise) of the Target Corporation; (ii) the Sellers' ability to consummate the transactions contemplated hereby; or (iii) the Purchaser's ability to operate the Business immediately after Closing in the manner operated by the Target Corporation before Closing, provided that a Material Adverse Change – Target shall not include an adverse change resulting from a change:

- (A) that results from general economic, financial, currency exchange, interest rate or securities market conditions in Canada or the United States;
- (B) that results from acts of war, sabotage or terrorism, military actions or the escalation thereof;

- (C) that results from changes in applicable accounting rules or principles, including changes in GAAP; or
- (D) that is a direct result of any matter permitted by this Agreement or consented to in writing by the applicable Party,

provided further, however, that (i) with respect to clauses (A) through to and including (C), such matter does not have a materially disproportionate effect on the Target Corporation, relative to other comparable companies and entities operating in the industry in which the applicable Target Corporation operate; and (ii) notwithstanding clauses (A) through to and including (D) (or the proviso following clauses (A) through to and including (D)), the occurrence of any event, change, effect, state of facts, circumstance, development or occurrence that is or could reasonably be expected to result in a failure to be in compliance with the Authorizations or applicable Laws, shall each be deemed to constitute a Material Adverse Change – Target.

- (ooo) **“Material Contract”** has the meaning specified in Section 3.1(p).
- (ppp) **“Misrepresentation”** has the meaning specified under applicable Canadian securities Laws.
- (qqq) **“NI 45-106”** has the meaning specified in subsection 3.2(k)(ii).
- (rrr) **“Note”** has the meaning specified in Section 9.1.
- (sss) **“Notice”** has the meaning specified in Section 10.1.
- (ttt) **“Official”** means (i) any appointed or elected official, officer, employee or representative of, or any Person acting in an official capacity for or on behalf of, any Governmental Entity, any company, business, enterprise or other entity owned, in whole or in part, or controlled by any Governmental Entity; (ii) any political party or party official or candidate for political office; or (iii) any company, business, enterprise or other entity owned, in whole or in part, or controlled by any Person described in the foregoing clause (i) or (ii) of this definition.
- (uuu) **“Ordinary Course”** means, with respect to an action taken by a Person, that such action is consistent with the past practices of the Person and is taken in the ordinary course of the normal day-to-day operations or actions of the Person.
- (vvv) **“Parties”** means the Sellers, the Target Corporation and the Purchaser, and **“Party”** means any one of them.
- (www) **“Patent Application”** has the meaning specified in subsection 3.1(gg)(vi).
- (xxx) **“Person”** means an individual, partnership, limited partnership, limited liability partnership, corporation, limited liability company, unlimited liability company, joint stock company, trust, unincorporated association, joint venture or other entity or Governmental Entity, and pronouns have a similarly extended meaning.
- (yyy) **“Personal Information”** means information about an identifiable individual as defined in Privacy Law.

- (zzz) **"Personal Property"** means all machinery, equipment, furniture and other chattels owned or leased by the Target Corporation.
- (aaaa) **"Pre-Closing Taxes"** means all Taxes of the Target Corporation payable in respect of all taxation periods ending on or before the Closing Date and for the portion of any Straddle Period ending on and including the Closing Date. For these purposes, in the case of any Taxes that are imposed on a periodic basis and are payable for a Straddle Period, the portion of such Tax related to the portion of such Straddle Period ending on and including the Closing Date shall (i) in the case of any Taxes other than Taxes based upon or related to gross receipts, sales, production, use or income, be deemed to be the amount of such Taxes for the entire taxable period multiplied by a fraction, the numerator of which is the number of days in the taxable period ending on and including the Closing Date and the denominator of which is the number of days in the entire taxable period, and (ii) in the case of any Tax based upon or related to gross receipts, sales, production, use or income, be deemed to be equal to the amount which would be payable if the relevant taxable period ended on and included the Closing Date.
- (bbbb) **"Principals"** means, collectively, Dr. Gareth P. Hatch, Patrick Wong, Dr. John Veltheer and Furkhat Faizulla.
- (cccc) **"Privacy Laws"** means all applicable Laws that relate to privacy, data protection or data transfer issues, or that otherwise relate to the Processing of Personal Information, including all implementing laws, ordinances, regulations, or guidelines.
- (dddd) **"Pro Rata Share"** means the share of the Purchase Price on a pro rata basis.
- (eeee) **"Proceedings"** has the meaning specified in Section 3.1(m).
- (ffff) **"Processing"** means any operation or set of operations performed upon information, whether or not by automated means, such as collection, recording, organization, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction.
- (gggg) **"Purchase Price"** has the meaning specified in Section 2.3.
- (hhhh) **"Purchaser Public Disclosure Record"** means the Purchaser's publically filed documents, as filed on the System for Electronic Document Analysis and Retrieval (SEDAR).
- (iiii) **"Purchased Shares"** has the meaning specified in the Recitals.
- (jjjj) **"Purchaser Shares"** means the common shares in the capital of the Purchaser.
- (kkkk) **"Purchaser"** has the meaning specified at the beginning of this Agreement, above the Recitals.
- (llll) **"Purchaser Board"** has the meaning specified in the Recitals.
- (mmmm) **"Purchaser Circular"** means the notice of the Purchaser Meeting and accompanying management information circular, if required, including all schedules, appendices, and exhibits to, and information incorporated by reference

in, such management information circular, to be sent in accordance with applicable Laws in connection with the Purchaser Meeting, as amended, supplemented or otherwise modified from time to time.

- (nnnn) **“Purchaser Financial Statements”** has the meaning specified in Section 4.1(l).
- (oooo) **“Purchaser Indemnified Parties”** means Purchaser, Purchaser’s Affiliates, the Target Corporation, its subsidiaries and their respective directors, officers, employees, agents, representatives and shareholders.
- (pppp) **“Purchaser Meeting”** means the special meeting of the shareholders of the Purchaser, including any adjournment or postponement thereof, to be called and held, if required, to consider the Transaction Resolution and for any other purpose as may be set out in the Purchaser Circular.
- (qqqq) **“Real Property”** means rights, title, estate and interest, of the Target Corporation in and to the lands and premises, including all buildings, erections, structures, fixtures and improvements of any nature or kind now and hereafter situated thereon and all other appurtenances thereto.
- (rrrr) **“REE Technology”** means the RapidSX™ processing technology for the separation of REEs owned by the Target Corporation, including any future developments created by or on behalf of the Target Corporation related to RapidSX™ and REEs (as well as any other products and materials contemplated by the Business, including without limitation lithium, cobalt and environmental remediation), and all Intellectual Property Rights in or related to any of the foregoing.
- (ssss) **“REEs”** means rare earth elements, which specifically includes those elements listed in Schedule 1.1(ssss) of the Seller Disclosure Letter.
- (tttt) **“Related Party”** (i) any Affiliate of the Target Corporation; (ii) Affiliate of the Sellers; (iii) any director, officer, employee of the Target Corporation or of the Sellers; or (iv) any third Person in which any of the foregoing Persons owns, directly or indirectly, more than five percent (5%) of the voting securities or partnership or other ownership interests.
- (uuuu) **“Release”** means any actual or threatened release, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, abandoning, disposing or allowing to escape or migrate of any Hazardous Substance into or through the Environment or as defined in any Environmental Law.
- (vvvv) **“Remedial Order”** means any Governmental Order issued, filed or imposed under any Environmental Law and includes any Governmental Order requiring any investigation, study, mitigation, abatement, remediation or clean-up of any Hazardous Substance, Release or Disposal.
- (www) **“SEDAR”** means the System for Electronic Document Analysis and Retrieval. It is an electronic system for the official filing of documents by public companies and investment funds across Canada.
- (xxxx) **“Seller Board”** has the meaning specified in the Recitals.

- (yyyy) **"Seller Disclosure Letter"** means the disclosure letter dated the date of this Agreement and delivered by the Sellers and the Target Corporation to the Purchaser with this Agreement.
- (zzzz) **"Seller Indemnified Parties"** means the Sellers and its respective directors, officers, employees, agents, representatives and shareholders.
- (aaaaa) **"Sellers"** has the meaning specified in the Recitals.
- (bbbbb) **"Sellers' Representative"** shall be Dr. Gareth P. Hatch.
- (ccccc) **"Selling Expenses"** means (i) unpaid fees and expenses of outside legal counsel, accountants, advisors, brokers, investment bankers and any other Person incurred by the Target Corporation in connection with the preparation for and the consummation of, the transactions contemplated hereby and not paid for in full as of the date hereof; and (ii) success fees, transaction bonuses, deferred compensation, change-in-control payments, severance payments, retention payments or any other payments due or payable by the Target Corporation to any current or former Employee, officer, director, independent contractor, service provider or any other Person in connection with the transactions contemplated hereby (alone or in combination with any other event) together, in each case, with the Target Corporation's portion of any Taxes related thereto.
- (ddddd) **"Software"** has the meaning specified in subsection 3.1(gg)(xv).
- (eeeee) **"Solvent"** means: (i) the property of the subject Person is sufficient, if disposed of at a fairly conducted sale under legal process, to enable payment of all its obligations, due and accruing due; (ii) such Person has not ceased paying its current obligations in the Ordinary Course as they generally become due; and (iii) such Person is not for any reason unable to meet its obligations as they generally become due.
- (fffff) **"Straddle Period"** means any taxable period which begins before and ends after the Closing Date.
- (ggggg) **"Subsidiaries"** or **"subsidiaries"** shall mean, with respect to any Party, any corporation or other organization or Person, whether incorporated or unincorporated, of which (i) such Party or any other subsidiary of such Party is a general partner (excluding such partnerships where such Party or any subsidiary of such Party does not have a majority of the voting interest in such partnership) or (ii) at least a majority of the securities or other interests having by their terms ordinary voting power to elect a majority of the board of directors or others performing similar functions with respect to such corporation or other organization is directly or indirectly owned or Controlled by such Party or by any one or more of its subsidiaries or Affiliates.
- (hhhhh) **"Target Business"** has the meaning specified in subsection 3.1(gg)(i).
- (iiii) **"Target Corporation"** has the meaning specified at the beginning of this Agreement, above the Recitals.
- (jjjjj) **"Target Information"** means information about the Target Corporation required in order for the Purchaser to comply with its obligations pursuant to securities Laws, including obligations: (i) under National Instrument 51-102 - *Continuous Disclosure*

Obligations; or (ii) as may be required by the TSXV, including, in each case as applicable, (x) audited consolidated historical financial statements of the Target Corporation for its last two (2) completed fiscal years; (y) unaudited interim consolidated financial statements of the Target Corporation for its most recent interim period ended after their most recent fiscal year-end and the comparable interim period in the preceding fiscal year; and (z) consents from any auditors and any other advisors of the Target Corporation to the use of any financial, technical or other expert information and comfort and consent letters of such auditors and advisors in form and substance acceptable to the Purchaser; and “**Target Information**” shall also include reasonable assistance in preparing *pro forma* financial statements of the Purchaser derived from the financial statements referred to in (x) and (y) above.

(kkkkk) “**Target IP**” has the meaning specified in subsection 3.1(gg)(i).

(lllll) “**Target Owned IP**” has the meaning specified in subsection 3.1(gg)(iii).

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

(nnnnn) “**Tax Claim**” has the meaning specified in subsection 9.4(d).

(ooooo) “**Tax Contest**” has the meaning specified in subsection 9.4(c).

(ppppp) “**Tax Returns**” means any and all returns, reports, declarations, designations, elections, notices, filings, information returns, statements and other documents in respect of Taxes that are filed or required to be filed with any applicable Governmental Entity, including all amendments, schedules, attachments or supplements thereto and whether in tangible or electronic form.

(qqqqq) “**Taxes**” means (i) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Governmental Entity, whether computed on a separate, consolidated, unitary, combined or other basis, including, without limitation, those levied on, or measured by, or described with respect to income, branch, earnings, profits, capital gains, gross receipts, windfall profits, value added, severance, ad velorem, property, capital, net worth, production, sales, use, HST/GST, licence, franchise, environmental, stamp, occupation, premium, alternative or add-on minimum, transfer, withholding or similar, payroll, employer or employer health tax, Canada or other government pension plan premiums and contributions, social security premiums, workers’ compensation premiums, employment/unemployment insurance premiums and contributions, and import, export or customs duties, (ii) any instalment in respect thereof, (iii) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Entity, and (iv) any liability for any of the foregoing as a transferee, successor, guarantor, or by contract or by operation of Law or otherwise. .

(rrrrr) “**Third Party Claim**” means any Claim that is instituted or asserted by a third party, including a Governmental Entity, against an Indemnified Party which entitles the Indemnified Party to make a claim for indemnification under this Agreement.

(sssss) “**Transaction Resolution**” means the special resolution approving the transactions contemplated pursuant to this Agreement to be considered at the Purchaser Meeting, if required.

(ttttt) "TSXV" means the TSX Venture Exchange.

1.2 References and Usage.

Unless a clear contrary intention appears: (i) the singular number shall include the plural, and vice versa; (ii) reference to any gender includes each other gender; (iii) reference to any agreement, document or instrument shall mean such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof; (iv) "include" and "including," and variations thereof, shall not be deemed to be terms of limitation, but rather shall be deemed to be followed by the words "without limitation"; (v) all references in this Agreement to "Schedules," "Sections" and "Articles" are intended to refer to Schedules, Sections and Articles to this Agreement, except as otherwise indicated; (vi) the table of contents and headings in this Agreement are for convenience of reference only, shall not be deemed to be a part of this Agreement, and shall not be referred to in connection with the construction or interpretation of this Agreement; (vii) "or" is used in the inclusive sense of "and/or"; (viii) with respect to the determination of any period of time, "from" shall mean "from and including" and "to" shall mean "to but excluding"; and (ix) "hereunder," "hereof," "hereto," and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article, Section or other provision hereof.

1.3 Actions on Non-Business Days.

If any payment is required to be made or other action (including the giving of notice) is required to be taken pursuant to this Agreement on a day which is not a Business Day, then such payment or action shall be considered to have been made or taken in compliance with this Agreement if made or taken on the next succeeding Business Day.

1.4 Currency and Payment Obligations.

Unless otherwise stated, all references in this Agreement to sums of money are expressed in Canadian dollars. A reference to US\$ or dollar is to United States dollars.

1.5 Calculation of Time.

In this Agreement, a period of days shall be deemed to begin on the first day after the event which began the period and to end at 5:00 p.m. (Toronto time) on the last day of the period. If any period of time is to expire hereunder on any day that is not a Business Day, the period shall be deemed to expire at 5:00 p.m. (Toronto time) on the next succeeding Business Day.

1.6 Drafting.

The Parties have participated jointly in the negotiation and drafting of this Agreement and, in the event that an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as jointly drafted by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Agreement. Further, prior drafts of this Agreement or any Ancillary Agreements hereto or the fact that any clauses have been added, deleted or otherwise modified from any prior drafts of this Agreement or any Ancillary Agreements hereto shall not be used as an aide of construction or otherwise constitute evidence of the intent of the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of such prior drafts.

1.7 Tender.

Except as otherwise provided herein, any tender of documents or money hereunder may be made upon the Parties or their respective counsel and money shall be tendered by wire transfer of immediately available funds in accordance with wire instructions given by the payee Party, or by another method that provides for immediately available funds as agreed between the Parties.

1.8 Exhibits and Schedules.

The following are the Exhibits and Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

Exhibits:

Exhibit A:	List of Current Shareholders of the Target Corporation
Exhibit B:	Mechanics of Closing
Exhibit C:	Mechanics of Post-Closing Loan
Exhibit D:	Organizational Structure of Hexagon-IMC Joint Venture

Schedules to the Agreement:

Schedule 1.1(pppp):	List of REEs
Schedule 4.1(g):	Purchaser Litigation
Schedule 8.1(a)(i)(G):	Other Seller Indemnified Matters

1.9 Disclosure Letter.

Unless the context otherwise requires, words and expressions defined in this Agreement will have the same meanings in the Seller Disclosure Letter, and the interpretation provisions set out in this Agreement apply to the Seller Disclosure Letter. Unless the context otherwise requires, or a contrary intention appears, references in the Seller Disclosure Letter to a designated Article, Section, or other subdivision refer to the Article, Section, or other subdivision, respectively, of this Agreement. Unless otherwise indicated, no reference to or disclosure of any item or other matter in the Seller Disclosure Letter shall be construed as an admission or indication that such item or other matter is material. The information contained in the Seller Disclosure Letter is intended only to qualify and limit the representations, warranties and covenants of the Seller contained in this Agreement. The numbering of the Seller Disclosure Letter corresponds with the numbering of Sections of this Agreement. Any matter disclosed in any Schedule shall be considered disclosed also for other Schedules for which it is reasonably apparent that such matter is pertinent to the other Schedules. The Schedules and all information contained in them are confidential and may not be disclosed to any other Person except as permitted pursuant to this Agreement.

Schedules to the Seller Disclosure Letter:

<u>Schedule 3.1(b):</u>	Extra-Provincial Registrations
<u>Schedule 3.1(d):</u>	Authorized and Issued Capital
<u>Schedule 3.1(e):</u>	Subsidiaries
<u>Schedule 3.1(f):</u>	No Other Agreements to Purchase or Rights to Vote
<u>Schedule 3.1(h):</u>	Title to Assets
<u>Schedule 3.1(i):</u>	No Conflict
<u>Schedule 3.1(j):</u>	Ordinary Course of Business
<u>Schedule 3.1(m):</u>	Target Corporation Litigation
<u>Schedule 3.1(p):</u>	Material Contracts

<u>Schedule 3.1(q)(i):</u>	Major Suppliers
<u>Schedule 3.1(r):</u>	Certain Transactions
<u>Schedule 3.1(dd)(ii):</u>	Employees
<u>Schedule 3.1(ee):</u>	Insurance Policies
<u>Schedule 3.1(gg)(ii):</u>	Intellectual Property Rights
<u>Schedule 3.1(gg)(iii):</u>	Target Owned IP
<u>Schedule 3.1(gg)(v):</u>	Rights in Target-Owned IP
<u>Schedule 3.1(gg)(vi):</u>	IP Assignment
<u>Schedule 3.1(gg)(vi):</u>	Patent Applications
<u>Schedule 3.1(jj)(i):</u>	Related Party Transactions

ARTICLE 2

PURCHASE AND CONSIDERATION

2.1 Purchase and Sale.

On and subject to the terms and conditions of this Agreement, each Seller hereby sells, assigns and transfers to the Purchaser, and the Purchaser hereby agrees to purchase from each Seller on the Closing Date, good and marketable title to, and all beneficial ownership in, the Purchased Shares, as applicable, owned by such Seller in exchange for such Seller's Pro Rata Share of the Purchase Price, free and clear of all Liens, the total of which, for all Sellers, represents one hundred percent (100%) of the issued and outstanding common shares in the capital of the Target Corporation. Following the completion of the Purchaser's acquisition of the Purchased Shares (including use of the compulsory acquisition provisions of the *Business Corporations Act* (British Columbia), if necessary), the Purchaser shall own all of the equity interest in the Target Corporation.

The principal mechanics of Closing are described in the form of an organizational structure chart attached hereto as Exhibit B.

2.2 Date, Time and Place of Closing.

Closing will take place at such time and place on the Closing Date.

2.3 Purchase Price.

The Purchaser shall pay aggregate consideration in the amount of \$5,800,000 in respect of the Purchased Shares (together, the "**Purchase Price**") as follows: (i) the issuance of an aggregate of 45,383,412 common shares of the Purchaser (the "**Closing Consideration Shares**") to the Sellers, at a deemed share price of \$0.1278 per share, being the volume weighted average price of the common shares of the Purchaser as traded on the facilities of the TSXV for the five (5) trading days immediately preceding the date of this Agreement (the "**Issue Price**"); and (ii) the payment of cash consideration in the amount of \$1,000 to the Sellers.

2.4 Estimated Closing Statement and Balance Sheet.

Five (5) Business Days prior to the Closing, the Seller shall prepare and deliver to the Purchaser a written statement prepared in good faith in accordance with GAAP and in a manner consistent with past practices, setting forth reasonably detailed calculations of the Seller's good faith estimate of the: (i) a pro forma balance sheet as of the Calculation Time; and (ii) Selling Expenses as of immediately prior to the Closing, as evidenced by invoices or other reasonable supporting documentation provided by the Seller to the Purchaser concurrently therewith, in each case,

satisfactory to the Purchaser, and any reasonable supporting or underlying documentation used in the preparation thereof.

2.5 Consideration and Allocation.

The Purchase Price shall be satisfied as follows:

- (a) **Closing Consideration Shares.** At Closing, the Closing Consideration Shares shall to be issued, registered and delivered as so directed by the Sellers' Representative in writing.
- (b) **Cash Consideration.** At Closing, payment of the cash consideration comprising part of the Purchase Price, as described in Section 2.3.
- (c) **Allocation.** The Parties agree that the Closing Date Purchase Price shall be allocated to the Sellers on a pro rata basis based on each Seller's respective Pro Rata Share, as applicable.
- (d) **Effect of Transaction.** As a result of the transactions contemplated by this Agreement, the Sellers acknowledge and agree that the Purchaser will become the legal and beneficial owner: (i) directly of all of the issued and shares of the Target Corporation; and (ii) indirectly of all of the issued shares of any present and/or future Subsidiaries of the Target Corporation.
- (e) **Withholding.** Notwithstanding any other provision of this Agreement, the Purchaser shall be entitled to deduct and withhold from any amounts payable, issuable or otherwise deliverable to any Person pursuant to this Agreement such amounts as the Purchaser determines are required or permitted to be deducted and withheld with respect to the making of such payment under any applicable Law. To the extent the amount required to be deducted or withheld from any consideration payable, issuable or otherwise deliverable to any Person hereunder exceeds the amount of cash consideration, if any, otherwise payable to the Person, the Purchaser is hereby authorized to sell or otherwise dispose of any non-cash consideration payable to such Person as is necessary to provide sufficient funds to the Purchaser to enable it to comply with all deduction or withholding requirements applicable to it and the Purchaser shall notify such Person and remit any unapplied balance of the net proceeds of such sale. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the Person in respect of which such withholding was made.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF THE TARGET CORPORATION AND THE SELLERS

3.1 Representations and Warranties of the Target Corporation.

As a material inducement to the Purchaser entering into this Agreement and completing the transactions contemplated by this Agreement by the Purchaser as the context requires, and acknowledging that the Purchaser is entering into this Agreement in reliance upon the representations and warranties of the Target Corporation set out in this Article 3, the Target Corporation represents and warrants to Purchaser as follows:

- (a) **Organization of the Target Corporation.** The Target Corporation is a corporation duly organized, validly existing under the laws of its jurisdiction of organization and has the requisite corporate power and capacity to own its Assets and to carry on its Business as currently conducted. The Target Corporation's Business, as currently conducted, the character and location of its Assets and properties (whether owned or leased) and the nature of its activities do not require the Target Corporation to be qualified or licensed as a foreign corporation. The Target Corporation has delivered to the Purchaser or its counsel a true and correct copy of its Governing Documents, as amended to date, each in full force and effect on the date hereof.
- (b) **Extra-Provincial Registrations.** Schedule 3.1(b) of the Seller Disclosure Letter lists each province or other jurisdiction in which the Target Corporation is licensed or qualified to do business. The Target Corporation is duly licensed or registered to carry on business in each jurisdiction in which the properties owned or leased by it or the operation of its business as currently conducted makes such licensing or registration necessary.
- (c) **Authority and Enforceability.** The Target Corporation has all requisite power and capacity to enter into this Agreement and the Ancillary Agreements and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance of this Agreement and the Ancillary Agreements and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action on the part of the Target Corporation and no further corporate action is required on the part of the Target Corporation to authorize this Agreement and the Ancillary Agreements and the transactions contemplated hereby and thereby. This Agreement, the Ancillary Agreements and the transactions contemplated hereby have been approved by the Seller Board in accordance with the Governing Documents of the Target Corporation. This Agreement and each of the Ancillary Agreements have been duly executed and delivered by the Target Corporation and, assuming the due authorization, execution and delivery by the other parties hereto and thereto, constitute valid and binding obligations of the Target Corporation enforceable against it in accordance with its terms, subject to (i) laws of general application relating to bankruptcy, insolvency and the relief of debtors, and (ii) rules of law governing specific performance, injunctive relief and other equitable remedies.
- (d) **Authorized and Issued Capital.** Schedule 3.1(d) of the Seller Disclosure Letter sets out (i) the authorized share capital; and (ii) the issued and outstanding share capital of the Target Corporation as of the date hereof, which (A) have been duly issued and are currently outstanding as fully paid and non-assessable, and (B) at the Closing Date, will have been duly issued and outstanding as fully paid and non-assessable. Except as disclosed in Schedule 3.1(m), the Target Corporation does not own or have any obligation or agreement of any nature to acquire, directly or indirectly, any securities in the capital of, or other equity or proprietary interest in, any other Person. The Target Corporation is not a reporting issuer (as such term is defined under applicable Canadian securities Laws) and there is no published market for any of the Purchased Shares.
- (e) **Subsidiaries.** Except as disclosed in Schedule 3.1(e) of the Seller Disclosure Letter, there are no Subsidiaries of the Target Corporation. No Subsidiary of the Target Corporation has: (i) conducted any business; (ii) accrued any liabilities; or

(iii) issued any of its securities to any individual, entity or party other than the Target Corporation.

- (f) **No Other Agreements to Purchase or Right to Vote.** Except as disclosed in Schedule 3.1(f) of the Seller Disclosure Letter and except for the Purchaser's rights under this Agreement, no Person has any Contract, option or warrant or any right or privilege (whether by Law, pre-emptive or contractual granted by the Target Corporation) capable of becoming such for the purchase, subscription, allotment or issuance of any of the issued or unissued securities of the Target Corporation. There are no outstanding bonds, debentures or other evidences of indebtedness of the Target Corporation having the right to vote (or that are convertible or exchangeable for, or exercisable into, securities having the right to vote) with the holders of the shares in the capital of the Target Corporation on any matter. There are no outstanding contractual obligations of the Target Corporation to repurchase, redeem or otherwise acquire any of its outstanding securities or with respect to the voting or disposition of any outstanding securities of the Target Corporation.
- (g) **Dividends, Distributions and Redemptions.** The Target Corporation has not, directly or indirectly, (i) declared or paid any dividends or declared or made any other distribution to its shareholders or on any of its shares of any class; or (ii) redeemed, purchased or otherwise acquired any of its shares of any class or agreed to do so.
- (h) **Title to Assets.** The property and Assets owned by the Target Corporation are free and clear of all mortgages, deeds of trust, Liens, loans, encumbrances and adverse Claims, except for statutory Liens for the payment of current Taxes that are not yet delinquent and encumbrances and Liens that arise in the Ordinary Course of business and do not materially impair the Target Corporation's ownership or use of such property or Assets and which are otherwise disclosed in Schedule 3.1(h) of the Seller Disclosure Letter. The properties, Assets and Employees of the Target Corporation are sufficient to permit the continued operation of the Target Corporation's Business in substantially the same manner as now conducted. With respect to the property and Assets, to the Knowledge of the Target Corporation and the Sellers, the Target Corporation holds a valid leasehold interest free of any Liens, Claims or encumbrances other than those of the lessors of such property or Assets. No Person has any written agreement, option, understanding or commitment, privilege or right, or any right capable of becoming the foregoing (whether legal, equitable, contractual or otherwise) for the purchase or other acquisition from the Target Corporation of any of the Assets being used in or necessary for the operation of, the Business. The Assets (excluding intangible assets) owned by the Target Corporation are in good operating condition and repair, reasonable wear and tear excepted, and are substantially adequate for the uses to which they are currently being put.
- (i) **No Conflict.** Except as set out in Schedule 3.1(i) of the Seller Disclosure Letter, the execution, delivery and performance of this Agreement, and of each of the Ancillary Agreements, by the Target Corporation and the completion of the transactions contemplated by this Agreement and the Ancillary Agreements do not and will not result in or constitute any of the following:
- (i) a default, breach or violation or an event that, with notice or lapse of time or both, would be a default, breach or violation of any of the terms, conditions or provisions of the Governing Documents or of any Contract;

- (ii) an event which, pursuant to the terms of any Contract, would cause any right or interest of the Target Corporation to come to an end or be amended in any way that is detrimental to the Target Corporation's Business or entitle any other Person to terminate or amend any such right or interest or relieve any other Person of its obligations thereunder;
 - (iii) the creation or imposition of any Lien on any property or Asset of the Target Corporation;
 - (iv) require the consent, notice or other action by any Person or Governmental Entity, under, conflict with, result in a violation or breach of, constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default under, result in the acceleration of or create in any party the right to accelerate, terminate, modify or cancel any Licence; or
 - (v) the violation of any applicable Law.
- (j) **Ordinary Course.** The Business has been carried on in the Ordinary Course since February 23, 2011. Without limiting the generality of the foregoing, except as disclosed in Schedule 3.1(j) of the Seller Disclosure Letter, since February 23, 2011, the Target Corporation has not:
 - (A) incurred indebtedness for borrowed money or made any loan, advance, or assumed, guaranteed or otherwise became liable with respect to the liabilities or obligation of any Person;
 - (B) removed or received a notice of resignation from any auditor or director or terminated any officer or other senior Employee;
 - (C) entered into any Contract with any Related Party;
 - (D) cancelled or waived any material Claims or rights; or
 - (E) made any change in any method of accounting or auditing practice, except as required by GAAP, or amended or approved any amendment to its constating documents, by-laws or capital structure.
- (k) **No Material Adverse Change.** Since March 1, 2020, there has not been any Material Adverse Change – Target and to the Knowledge of the Target Corporation and the Sellers after due and diligent inquiry, no event has occurred or circumstance exists which could reasonably be expected to result in such a Material Adverse Change – Target.
- (l) **Corporate Documents.** The copy of the minute book of the Target Corporation has been provided or made available to the Purchaser or its counsel and contains minutes of all formal meetings of directors and shareholders and all written resolutions of the directors and shareholders since the date of the incorporation of the Target Corporation and accurately reflects in all material respects all actions by the directors (and any committee of directors) and shareholders with respect to all transactions referred to in such minutes or written resolutions.

- (m) **Litigation.** Except as disclosed in Schedule 3.1(m), there are no written complaints, charges, actions, suits, Claims, demands, hearings, investigations or other legal proceedings (collectively, the “**Proceedings**”) pending or, to the Knowledge of the Target Corporation and the Sellers, threatened against or by the Target Corporation affecting the Business or any of the Target Corporation’s properties or Assets, including without limitation the REE Technology. There are no outstanding Governmental Orders and no unsatisfied judgments, penalties or awards against or affecting the Target Corporation or the Business.
- (n) **Indebtedness.** The Target Corporation does not currently have, and will not have at Closing, any Indebtedness and is not liable for any Indebtedness of any other Person.
- (o) **Liabilities.** On the Closing Date, and except as disclosed to the Purchaser up to \$10,000 in total, the Target Corporation will not have any Liabilities or obligations of any nature (whether known to the Knowledge of the Target Corporation, liquidated or unliquidated, due or to become due and whether absolute, accrued, contingent or otherwise), and the Target Corporation is not currently, nor will it be on the Closing Date, in default of any performance obligations pursuant to the Contracts.
- (p) **Material Contracts.** Schedule 3.1(p) lists all material contracts to which the Target Corporation is party or to which the Target Corporation’s Intellectual Property or Assets may be bound (collectively, the “**Material Contracts**”). True and complete copies of all Material Contracts (including all amendments thereto) have been made available to the Purchaser or its counsel. The Target Corporation is not, and, to the Knowledge of the Target Corporation and the Sellers, no other party to any Material Contract is, in default under any such Material Contract in any material respect and there has not occurred any event which, with the lapse of time or giving of notice or both, would constitute a default under any such Material Contract in any material respect by the Target Corporation or any other party to the Material Contract. Each Material Contract is in full force and effect, unamended. The Target Corporation has not received any written notice of a default by the Target Corporation under any Material Contract or of a dispute between the Target Corporation and any other Person in respect of any Material Contract. The Target Corporation has not been informed in writing that any other party to a Material Contract intends to terminate or to seek to materially amend any such Material Contract. The Target Corporation is not a party to an oral Contract, agreement or lease or a binding oral understanding or agreement.
- (q) **Major Suppliers and Customers.**
 - (i) Schedule 3.1(q)(i) of the Seller Disclosure Letter lists the major suppliers of the Target Corporation during the twelve (12) month period ended January 31, 2019.
 - (ii) The Target Corporation does not currently have, and will not have at Closing, any major customers.
 - (iii) Since January 31, 2019, no such supplier or customer has terminated its relationship with, or materially reduced its purchases from sales to or attempted to renegotiate any terms of any Contracts with the Target Corporation and, to the Knowledge of the Target Corporation and the

Sellers, no supplier intends to do so. The Target Corporation is not involved in any action, dispute, or controversy with any of its suppliers.

- (iv) The relationships of the Target Corporation with the suppliers and customers listed in Schedule 3.1(q)(i) of the Seller Disclosure Letter are good commercial working relationships and, to the Knowledge of the Target Corporation and the Sellers, (i) none of any such customers plans to cease or materially decrease the amount of business done with the Target Corporation or has requested or received any material decrease in the prices paid to the Target Corporation and (ii) none of any such suppliers has canceled, terminated or otherwise materially altered (including any material reduction in the rate or amount of sales or material increase in the prices charged).
- (r) **Certain Transactions.** Other than (i) the Employee Plans, (ii) standard director and officer indemnification agreements approved by the Seller Board, (iii) the Ancillary Agreements, (iv) Employee agreements and (v) except as disclosed in Schedule 3.1(r) of the Seller Disclosure Letter, there are no agreements, understandings or proposed transactions between the Target Corporation and any of the current or former employees, officers or directors of each, or any Affiliate thereof.
- (s) **Required Authorizations.** There is no requirement to make any filing with, give any notice to, or obtain any Authorization of, any Governmental Entity as a condition to or in connection with the execution and delivery by the Sellers of this Agreement or the completion by the Sellers or the Target Corporation of the transactions contemplated by this Agreement.
- (t) **Required Consents.** There is no requirement to give any notice to or obtain any consent of (which includes any waiver, permit, exemption, order, approval, agreement, amendment, confirmation, licence or other authorization) a party under any Contract to which the Target Corporation is a party as a condition to or in connection with the completion by the Target Corporation of any of the transactions contemplated by this Agreement.
- (u) **Licences and Compliance with Applicable Law.**
 - (i) No Licences are required to maintain or continue the Business of the Target Corporation.
 - (ii) The Target Corporation is not subject to any obligation arising under an administrative or regulatory action, inspection, warning letter, notice of violation letter, or other written notice, response or commitment made to or with a Governmental Entity or any other regulatory authority, and, to the Knowledge of the Target Corporation and the Sellers, no such proceedings have been threatened.
 - (iii) Except for Ordinary Course inquiries by a Governmental Entity that are not material, no Governmental Entity is presently alleging or asserting, or, to the Knowledge of the Target Corporation and the Sellers, threatening to allege or assert, non-compliance with any applicable legal requirement or registration in respect of any of the Target Corporation's conduct relating to the Business.

- (iv) No report, document, record, filing or submission to a Governmental Entity or any other regulatory body, that was or is intended to be the basis for any approval of any Target Corporation's conduct relating to the Business contains any material omission or false information.
- (v) The Target Corporation is, and at all times has, operated its Business, held any and all Licences and conducted its affairs in compliance with applicable Law, except where any non-compliance would not result in a Material Adverse Change – Target.
- (v) **Books and Records.** All Books and Records of the Target Corporation have been fully, properly and accurately kept and completed in all material respects. Such Books and Records and other data and information are not recorded, stored, maintained, operated or otherwise wholly or partly dependent upon or held by any means (including any electronic, mechanical or photographic process, whether computerized or not) which are not reasonably expected to be available in the Ordinary Course.
- (w) **Financial Statements.** The Financial Statements have been prepared by management of the Target Corporation in accordance with GAAP or other applicable accounting standard as stated therein, and each presents fairly the financial position of the Target Corporation as at the date of such Financial Statements and results of its operations for the period then ended in accordance with GAAP or other applicable accounting standard as stated therein and reflects appropriate and adequate reserves in respect of contingent Liabilities, if any, as reasonably determined by management. True, correct and complete copies of the Financial Statements have been provided to the Purchaser or its counsel.
- (x) **Anti-Corruption; Anti-Bribery; Ethical Practices.** The Target Corporation has not taken or failed to take any action which would cause it to be in violation of the *Corruption of Foreign Public Officials Act* (Canada) or any similar anti-bribery or anti-corruption law or any similar law of any other jurisdiction. The Target Corporation has not, nor has any third party acting on behalf of the Target Corporation, has offered, paid, promised to pay, or authorized, or will offer, pay, promise to pay, or authorize, directly or indirectly, the giving of money or anything of value to any Official, or to any other Person while knowing or being aware of a high probability that all or a portion of such money or thing of value will be offered, given or promised, directly or indirectly, to any Official, for the purpose of: (i) influencing any act or decision of such Official in his, her or its official capacity, including a decision to fail to perform his, her or its official duties or functions; or (ii) inducing such Official to use his, her or its influence with any Governmental Entity to affect or influence any act or decision of such Governmental Entity, or to obtain an improper advantage in order to assist the Target Corporation or any other Person in obtaining or retaining business for or with, or directing business to, the Target Corporation. To the Knowledge of the Target Corporation and the Sellers, no director, officer or Employee of the Target Corporation has made or received any contribution, gift, bribe, rebate, payoff, influence payment, kickback, or other payment to any Person, private or public, regardless of form in violation of any applicable Law.
- (y) **Money Laundering.** The Business has been conducted by the Target Corporation in compliance with financial record-keeping and reporting requirements of applicable Laws relating to money laundering and there is no Claim by or before

any court or other Governmental Entity, any Governmental order, or any arbitrator non-Governmental Entity involving the Target Corporation with respect to such Laws and no such Claim is, to the Knowledge of the Target Corporation and the Sellers, threatened, ongoing or pending.

- (z) **Residence of the Target Corporation.** The Target Corporation is not a non-resident of Canada for the purposes of the Tax Act.

(aa) **Property.**

- (i) The Target Corporation (including for the avoidance of doubt any predecessors of the Target Corporation prior to any merger, amalgamation, sale or issue of shares, sale of assets or similar transaction) does not own, nor has it ever owned, any real property.
- (ii) Each item of Personal Property is in good operating condition and repair, ordinary wear and tear excepted, and is suitable and adequate for the purpose for which it is being used.

- (bb) **Leased Real Property.** The Target Corporation does not have any leased Real Property, nor is the Target Corporation a party to any Contracts, including leases, subleases, licenses and non-disturbance agreements, and all amendments, extensions, supplements, additions and guarantees, relating thereto.

(cc) **Environmental Matters.**

- (i) The Target Corporation is not in violation in any material respect of any applicable Law, or regulation relating to the Environment, and, to the Knowledge of the Target Corporation and the Sellers, no material expenditures are or will be required in order to comply with any such existing applicable Law.
- (ii) None of the Target Corporation, the Business or the Assets are the subject of any Remedial Order.
- (iii) The Target Corporation has not received, in the past three (3) years, any Environmental Notice or any Claim related to an Environmental issue alleging that the Target Corporation is in violation or has any liability under any Environmental Law that is unresolved.
- (iv) The Target Corporation has not entered into or agreed to consent, settlement or other agreement, nor is the Target Corporation subject to any Governmental Order in any judicial administrative, arbitral or other forum relating to compliance with or Liabilities under any Environmental Law.
- (v) The Target Corporation has made available to the Purchaser all material Environmental audits, assessments, reports and similar reviews and all material correspondence regarding Environmental matters, to the extent that such records are in the possession or under the control of the Sellers or the Target Corporation.
- (vi) Neither the Sellers nor the Target Corporation has assumed any Environmental Liabilities of a third party by Contract, assignment, or other assumption or Liability.

(dd) **Employees.**

- (i) The Target Corporation is and have been in all material respects in compliance with all applicable Laws related to employment or termination of employment, including employment standards, terms and conditions of employment, compensation, labour or employee relations, collective bargaining, immigration, worker classification, workers' compensation or workplace safety and insurance, overtime, wages and hours, pay equity, human rights, accommodation, accessibility, whistle-blowing, retaliation, and occupational health and safety. The Target Corporation is not a party to or bound by, either directly or by operation of applicable Law, any collective agreement, labour contract, letter of understanding, letter of intent, voluntary recognition agreement or legally binding commitment or written communication to any labour union, trade union or employee organization or group which may qualify as a trade union in respect of or affecting the Employees or independent contractors nor is the Target Corporation subject to any union organization effort and/or engaged in any labour negotiation. There are no outstanding or, to the Knowledge of the Target Corporation and the Sellers, threatened unfair labour practices, complaints or applications relating to any union, including any proceedings which could result in certification of a union as bargaining agent for employees, and there have not been any such proceedings within the last two (2) years.
- (ii) Schedule 3.1(dd)(ii) of the Seller Disclosure Letter sets out a true and accurate list of all the current Employees and other Persons who are receiving remuneration for work or services provided to the Target Corporation who are not Employees as of the date of this Agreement, together with additional information regarding each such Employee and Person, their name, date of birth, position, status (including active or on leave), length of service, official service date, location of employment, and current annual salary or wages, bonus entitlement, incentives, allowances and other compensation, vacation entitlement and accrual and benefits of each such Employee and the terms on which each other Person who is providing work or services to the Target Corporation is engaged. Except as set out in Schedule 3.1(dd)(ii), no Employee is on long-term disability or other leave of absence.
- (iii) There are no employment Contracts which are not terminable on the giving of reasonable notice in accordance with applicable Law, nor are there any management agreements, retention bonuses or employment Contracts providing for cash or benefits upon the consummation of the transactions contemplated by this Agreement.
- (iv) The Target Corporation has no outstanding obligation to make any severance or termination payment to any Employee. No current Employee has informed the Target Corporation, or any officer or director of a Target Corporation of any plans to terminate his, her or their employment with a Target Corporation generally or as a result of the transactions contemplated hereby or otherwise. The Target Corporation has not paid, nor with it be required or obligated to pay, any bonus, fee, distribution, remuneration or other compensation to any Employee (other than salaries, wages or bonuses paid or payable to employees in the Ordinary Course in

accordance with current compensation levels and practices) as the result of the transactions contemplated by this Agreement or otherwise.

- (v) There is no outstanding litigation, Claims or proceedings involving any Employee against the Target Corporation, and, to the Knowledge of the Target Corporation and the Sellers, no such litigation, Claims or proceedings are now threatened, and there exists no basis for any such claim or proceeding. There are no outstanding orders involving any Employee and the Target Corporation (including but not limited to inspection orders or written equivalent under any occupational health and safety Law which relate to the Target Corporation), and the Target Corporation has not sought, nor is it seeking or intending, to conduct any inspection, investigation, audit or compliance review pertaining to the Target Corporation or any of its Employees.
- (vi) To the Knowledge of the Target Corporation, the Target Corporation is exempt from assessments under, and is in compliance, in all material respects, with the *Workplace Safety and Insurance Act* (Ontario), is not bound by any other similar workers compensation legislation in other jurisdictions and the Target Corporation has not been and is not subject to any additional or penalty assessment under such legislation which has not been paid or been given notice of any audit.
- (vii) The Target Corporation will not have at Closing, any Employee Plan.
- (ee) **Insurance.** Schedule 3.1(ee) of the Seller Disclosure Letter sets forth a true and complete list of all current policies or binders of fire, liability, product liability, umbrella liability, real and personal property, workplace safety and insurance, workers' compensation, vehicle, directors' and officers' liability, fiduciary liability and other casualty and property insurance maintained by the Target Corporation or by the Sellers on behalf of the Target Corporation and relating to the Assets, Business, operations, employees, officers and directors of the Target Corporation (collectively, the "**Insurance Policies**") and true and complete copies of each of the Insurance Policies have been made available to Purchaser. The Insurance Policies are in full force and effect and shall remain in full force and effect following the consummation of the transactions contemplated by this Agreement. Neither the Sellers nor the Target Corporation has received any written notice of cancellation of, premium increase with respect to, or alteration of coverage under, any of any Insurance Policies. All premiums due on the Insurance Policies have either been paid or, if due and payable before Closing, will be paid before Closing in accordance with the payment terms of each Insurance Policy. All such Insurance Policies: (a) are valid and binding in accordance with their terms; and (b) have not been subject to any lapse in coverage. Except as set forth in Schedule 3.1(ee) of the Seller Disclosure Letter, there are no claims related to the Business pending under any Insurance Policies as to which coverage has been questioned, denied or disputed or in respect of which there is an outstanding reservation of rights. Neither the Sellers nor the Target Corporation is in material default under, or has otherwise failed to comply with, in any material respect, any provision contained in any Insurance Policy. The Insurance Policies are of the type and in the amounts customarily carried by Persons conducting a business that is similar to the Business of the Target Corporation and are sufficient for compliance with all applicable Laws and Contracts to which the Target Corporation is a party or by which it is bound.

(ff) **Tax Matters.**

- (i) The Target Corporation has prepared and filed when due with each relevant Governmental Entity all Tax Returns required to be filed by or on behalf of it. All such Tax Returns are correct and complete in all respects, and properly reflect and do not understate the income and liability for Taxes of the Target Corporation.
- (ii) No Governmental Entity has asserted that the Target Corporation is required to file Tax Returns or pay any Taxes in any jurisdiction where it does not do so.
- (iii) The Target Corporation has timely paid in full all Taxes, including instalments or prepayments of Taxes, required to be paid by it, whether or not shown on a Tax Return or on any assessments or reassessments, and has paid all assessments or reassessments it has received in respect of such Taxes.
- (iv) The Target Corporation has fully accrued in its Books and Records all Taxes which are due but not yet payable as of the date hereof, and had adequate provision for Taxes in its Books and Records and in its Financial Statements. Since the date of the Financial Statements, the Target Corporation has not incurred any Liability for Taxes or engaged in any transaction or event that would result in any Liability for Taxes, other than in the Ordinary Course.
- (v) All Tax Returns filed or required to be filed by the Target Corporation have been assessed by the relevant Governmental Entity as filed and notices of assessment have been issued by the relevant Governmental Entity in respect of such Tax Returns. The Purchaser has been provided with a copy of all federal and provincial Tax Returns filed or required to be filed by the Target Corporation for any taxation periods that remain open for assessment or reassessment as of the date hereof and all notices of assessment and all correspondence (if any) to or from any Governmental Entity relating thereto.
- (vi) No deficiencies or assessments or reassessments for any Taxes have been proposed, asserted or assessed in writing by any Governmental Entity against the Target Corporation that are still pending. There are no matters (including any Tax Return filed by the Target Corporation) under discussion, examination, audit or appeal with or by any Governmental Entity, and there are no Proceedings, claims, demands, investigations or actions now pending or threatened against the Target Corporation in respect of Taxes.
- (vii) There are no Liens for Taxes on the assets of the Target Corporation.
- (viii) The Target Corporation has not executed or filed with any Governmental Entity any agreement or waiver extending the period for assessment, reassessment of Taxes or the filing of any Tax Return, or the payment of any Taxes, nor is there any outstanding request for any such agreement or waiver.

- (ix) The Target Corporation has duly and timely withheld and collected all amounts required by applicable Law to be withheld or collected by it on account of Taxes (including Taxes or other amounts required to be withheld by it in respect of any amount paid or credited by it to or for the account or benefit of any Person, including any Employee and any Person not resident in Canada for the purposes of the Tax Act), and has duly remitted such amounts within the prescribed periods to the appropriate Governmental Entity. Without limiting the generality of the foregoing, the Target Corporation has remitted all Canada Pension Plan contributions, provincial pension plan contributions, employment insurance premiums, employer health taxes and other Taxes payable by it in respect of the Employees to the appropriate Governmental Entity within the time required under applicable Law.
- (x) The Target Corporation has collected and remitted all amounts on account of any sales, use or transfer Taxes, including without limitation, as applicable, HST/GST and provincial sales Taxes, required by applicable Law to be collected or remitted by it to the appropriate Governmental Entity and without limiting the generality of the foregoing, the Target Corporation is in full compliance with all registration, collection, remittance, timely reporting and record keeping obligations under the *Excise Tax Act* (Canada) and any applicable provincial sales tax legislation. The Target Corporation's HST/GST account number is [REDACTED].
- (xi) The Target Corporation has not received any requirement from any Governmental Entity pursuant to section 224 of the Tax Act (or any similar provision under any applicable Law) which remains unsatisfied in any respect.
- (xii) The Target Corporation has maintained and continues to maintain all Books and Records required to be maintained under the Tax Act and all other applicable Laws relating to Taxes.
- (xiii) The terms and conditions made or imposed in respect of every transaction (or series of transactions) between the Target Corporation and any Person that is (x) a non-resident of Canada for purposes of the Tax Act and (y) not dealing at arm's length with the Target Corporation for purposes of the Tax Act do not differ from those that would have been made between persons dealing at arm's length for purposes of the Tax Act. Contemporaneous documentation substantiating the transfer pricing practices and methodology, that meets the requirements of paragraphs 247(2)(a) to (c) of the Tax Act, has been executed and maintained.
- (xiv) The Target Corporation is not a party to or bound by any Tax sharing agreement, Tax indemnity obligation in favour of any Person or similar agreement in favour of any Person with respect to Taxes (including any advance pricing agreement or other similar agreement relating to Taxes with any Governmental Entity). The Target Corporation will not be required to include in a taxable period ending after the time of Closing any amount of net taxable income (after taking into account deductions claimed for such a period that relate to a prior period) attributable to income that accrued, or that was required to be reported for financial accounting purposes, in a prior

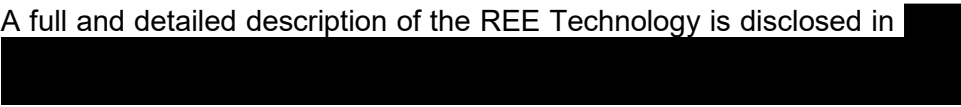
taxable period but that was not included in taxable income for that or another prior taxable period.

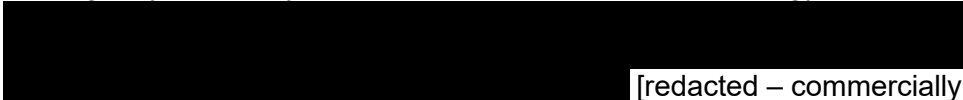
- (xv) There are no transactions or events that have resulted, and no circumstances existing, which could result in the application to the Target Corporation of section 15, 17, 67, 78 or 80 to 80.04 of the Tax Act or any analogous provision of any comparable Law of any province or territory of Canada.
- (xvi) The Target Corporation has not acquired property or services from, or disposed of property or provided services to, a non-arm's length Person (within the meaning of the Tax Act) for consideration, the value of which is less than the fair market value of the property or services, as the case may be.
- (xvii) All tax credits, deductions and refunds, including but not limited to scientific research and experimental development credits and refunds pursuant to the Tax Act or any equivalent provision under applicable provincial or territorial Law, claimed by the Target Corporation were valid.
- (xviii) The Target Corporation has not made (i) a capital dividend election under subsection 83(2) of the Tax Act in an amount which exceeds the amount in its "capital dividend account" at the time of such election, or (ii) an "excessive eligible dividend designation" as defined in subsection 89(1) of the Tax Act in respect of any dividend paid, or deemed by any provision of the Tax Act to have been paid, on any class of shares of its capital.
- (xix) The Purchased Shares do not constitute "taxable Canadian property" (within the meaning of the Tax Act).

(gg) **Intellectual Property.**

- (i) The Target Corporation owns all right, title and interest in and to, or has a valid license right to use (and are not in breach of such licenses), free and clear of any encumbrances, all of the Intellectual Property Rights used in and relating to the Business and all other business that the Target Corporation is engaged in (the "**Target IP**"). All such Target IP is sufficient, in all material respects, to conduct the Business and all other business that the Target Corporation is engaged in (the "**Target Business**"), as currently conducted and, to the Knowledge of the Target Corporation and the Sellers, all such Target IP is valid and enforceable, and has not and does not infringe upon the Intellectual Property Rights of any third party.
- (ii) Schedule 3.1(gg)(ii) of the Seller Disclosure Letter sets forth a list of all applied for, registered and other Intellectual Property Rights owned or licensed by or to the Target Corporation, and the Target Corporation has provided to Purchaser full and un-redacted copies of all applications and registrations for all Target IP, and all correspondence relating thereto, including but not limited to correspondence from and to all intellectual property offices and other government authorities relating thereto. All applications and registrations for Target Owned IP are in full force and effect and shall be maintained as such, except as otherwise agreed in

writing by the Purchaser, and all other Target Owned IP is valid and protectable and shall be maintained as such.

- (iii) The Target Corporation owns all right, title and interest in and to all Target IP listed in Schedule 3.1(gg)(iii) of the Seller Disclosure Letter (the “**Target Owned IP**”).
- (iv) The Target Corporation does not currently have, and will not have at Closing, any Intellectual Property of third parties used by the Target Corporation in the Target Business other than commercial off-the-shelf software products having an annual cost of under \$5,000. The Target Corporation is not bound by any contract or agreement that limits or impairs its ability to use or transfer, or that otherwise affects, any of the Intellectual Property Rights that are used in and material to the Target Business.
- (v)  [Redacted – commercially sensitive information]
- (vi) Dr. Gareth P. Hatch and Patrick Wong are the only inventors, creators and developers of the REE Technology, and no other person whosoever has had any inventive concept input or other invention or inventor activity in or relating to the REE Technology. Dr. Gareth P. Hatch and Patrick Wong have assigned their full and entire rights, title and interest, including all Intellectual Property rights, in and to the REE Technology to the Target Corporation in accordance with an IP Assignment, in the form set forth in Schedule 3.1(gg)(vi).
- (vii) A full and detailed description of the REE Technology is disclosed in  [redacted – commercially sensitive information] (the “**Patent Application**”) which has been provided to the Purchaser in accordance with Schedule 3.1(gg)(vi).

- (viii) Dr. Gareth P. Hatch and Patrick Wong have assigned in writing to the Target Corporation their full and entire rights, title and interest in and to: (A) the REE Technology disclosed in the Patent Application; and (B) the Patent Application (the “**REE Assignment**”), and the REE Assignment caused the Target Corporation to be the sole and exclusive owner of the Patent Application and the REE Technology disclosed in the Patent Application. A copy of the REE Assignment has been provided to the Purchaser.
- (ix) Except for disclosure under written and executed non-disclosure agreements that incorporate confidentiality obligations that were and are valid and subsisting, the REE Technology has not been disclosed to any person prior to the Closing Date.
- (x) The Target Corporation has complied, and is in compliance, with all applicable Laws insofar as they apply to the REE Technology, the Target IP, and the Target Business.
- (xi) The Target Corporation does not currently have, and will not have at Closing, any agreements whereby the Target IP is licensed to third parties, nor any agreements whereby Target Corporation licenses Target IP of third parties. The Target Corporation is not allowing, and will not be allowing at Closing, any third party to access or utilize the REE Technology, except for  [redacted – commercially sensitive information], both of which have solely utilized the REE Technology under the direct control of the Target Corporation for the purpose of testing the REE Technology and are bound by written confidentiality obligations to protect the secrecy of the REE Technology.
- (xii) No third party is infringing, misappropriating, violating or diminishing rights of, or in conflict with, any Target IP or the Target Business. The Target Corporation has not threatened or initiated any action, proceeding, dispute, or claim against any third party, whether or not in writing, alleging any third party infringement, misappropriation, violation or diminishment of rights of, or conflict with, any Target IP.
- (xiii) The Target Business as currently conducted by the Target Corporation does not infringe the Intellectual Property Rights of any third party. The Target Corporation has not received any notice alleging that the Target Corporation or any of its Intellectual Property Rights, the Target IP, the Target Business, or the REE Technology infringes, misappropriates, violates, or otherwise conflicts with any rights, including but not limited to Intellectual Property Rights, of any third party, and no such allegation has been made. None of the Target IP is the subject of any action, proceeding, dispute, or claim, and no action, proceeding, dispute, or claim is threatened against the Target Corporation, whether or not in writing, involving Target IP, except for office actions by the applicable governmental authorities in the normal course of prosecution efforts to register the Target Owned IP.
- (xiv) All Target IP that are trade secrets or other confidential information have been securely kept and properly documented such that (i) a person generally familiar with the area to which the trade secret, know-how, or

information relates could practice such trade secret, know-how or information and (ii) the Target Corporation will not lose any trade secrets, know-how or information material to the Business as at and after Closing should one or more employees or contractors no longer be available to the Target Corporation. The Target Corporation has taken all steps customary and reasonable in its industry to protect and preserve the confidentiality and proprietary nature of all Target IP and other confidential information of the Target Corporation and to maintain in confidence the trade secrets and confidential information owned and/or used by them in connection with the conduct of the Target Business and the REE Technology.

- (xv) The Target Corporation has neither created nor developed any proprietary or other source code or software, and the Target Owned IP does not include any software or source code. Neither the Target Corporation nor any third party acting on any of their behalf has disclosed, delivered or licensed to any third party, agreed to disclose, deliver or license to any third party, or permitted the disclosure or delivery to any escrow agent or other person of, any source code related to the Target Owned IP except for disclosures to employees, contractors or consultants under agreements that prohibit use or disclosure except in the performance of services to the Target Corporation. None of the Target Owned IP contain any shareware, open source code or other software subject to the general public license or any similar license which would require the disclosure of licensing of any of the Target Owned IP to any third party. None of the computer software or related systems or services that are used by or relied on in the operation of the REE Technology or the Target Business (collectively, “**Software**”) have experienced bugs, failures, breakdowns, or continued substandard performance that has caused any substantial disruption or interruption in or to the use of any such Software or systems whereupon such Software is utilized or accessed.
- (hh) **Data Privacy and Security.** The Target Corporation has not been notified in writing of nor the subject of any complaint, regulatory investigation or proceeding related to data security or privacy.
- (ii) **Personal Information.**
 - (i) The Target Corporation has complied in all material respects with: (A) all Privacy Laws in connection with the collection, use and disclosure of Personal Information by each Target Corporation, including with respect to obtaining all requisite consents for all uses made of Personal information by the Target Corporation, and the transfer of Personal Information outside of Canada; and (B) *An Act to Promote the Efficiency and Adaptability of the Canadian Economy by Regulating Certain Activities that Discourage Reliance on Electronic Means of Carrying out Commercial Activities, and to Amend the Canadian Radio-television and Telecommunications Commission Act, the Competition Act, the Personal Information Protection and Electronic Documents Act and the Telecommunications Act* (“**CASL**”) and all applicable Laws similar to CASL.
 - (ii) Since the incorporation of the Target Corporation, there have been no security breaches relating to, or violations of any security policy regarding, or any unauthorized access of, any data or information used by the Target

Corporation, including Personal Information and the Target Corporation has not received any complaint, Claim or notice in writing from any Governmental Entity or third party alleging a violation of Privacy Laws.

(jj) **Related Party Transactions.**

- (i) Except as disclosed in Schedule 3.1(jj)(i) of the Seller Disclosure Letter, there are no accounts payable, accounts receivable or other obligations, transactions, Contracts or Liabilities of any nature whatsoever between the Target Corporation, on the one hand, and any Related Party, on the other hand.
- (ii) No Related Party owns or has any proprietary, financial or other interests (direct or indirect) in any Licence or Asset which the Target Corporation owns, possesses or uses or proposes to own, use or possess in the operation of the Business as now or previously conducted.
- (iii) The Target Corporation has not made any payment or loan to, or borrowed any monies from or is otherwise indebted to, any officer, director, Employee, trustee or shareholder of any Person with whom the Target Corporation is not dealing at arm's length (within the meaning of the Tax Act) or any Affiliate or spouse of any of the foregoing.

(kk) **Confidentiality.** The provision of information to the Purchaser in connection with the transactions contemplated in this Agreement has not violated any confidentiality or non-disclosure obligation of any of the Target Corporation.

(ll) **Brokers.** The Purchaser will not be liable for and the Sellers have not included in connection with the Agreement, the Ancillary Agreements or the transactions contemplated hereby or thereby any brokerage commission, finder's fee, success fee, commission or other similar payment to any consultant, broker agent, investment banker or other intermediary in connection with the transactions contemplated by this Agreement because of any action taken by, or agreement or understanding reached by the Target Corporation or the Sellers.

(mm) **Hexagon-IMC Joint Venture.** Each of the Target Corporation and the Sellers represents, warrants and covenants that it, he or she (as applicable) will not agree to any future amendments to the Investment Agreement.

(nn) **Existing Purchaser Relationships.** Each of the Sellers represents, warrants and covenants that the Sellers will not pursue and/or engage in any transaction with any of the Existing Purchaser Relationships entities without the prior consent of the Purchaser or in any manner that is to the detriment of the Purchaser.

3.2 **Representations and Warranties Regarding the Sellers.**

Each of the Sellers severally represent and warrant to the Purchaser and acknowledge and agree that the Purchaser are each relying upon the representations and warranties in connection with the purchase by the Purchaser of the Purchased Shares:

- (a) **Organization and Qualification.** Such Seller: (i) if not an individual, is a corporation incorporated, continued, amalgamated or otherwise formed and is existing under the laws of its jurisdiction of organization and has the corporate power and authority to enter into and perform its obligations under this Agreement

and each of the Ancillary Agreements to which it is (or will be) a party, or (ii) if an individual, is of the full age of majority and has the legal capacity and competence to enter into and perform its obligations under this Agreement and each of the Ancillary Agreement to which such Seller is (or will be) a party).

- (b) **Authority.** If such Seller is not an individual, the execution, delivery of and performance by each such Person of this Agreement and each of the Ancillary Agreements to which each such Person is (or will be) a party and the consummation of the transactions contemplated herein and therein have been (or will be prior to the execution thereof) duly authorized by all necessary corporation action on the part of such Person.
- (c) **Solvency.** Each Seller is Solvent.
- (d) **No Violation or Breach.** The execution and delivery by such Seller of, and performance and consummation by such Seller of any transaction contemplated in, this Agreement and each of the Ancillary Agreements to which such Person is (or will be) a party:
 - (i) do not and will not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition), to the extent such Seller is not an individual, constitute or result in a violation or breach of, or conflict with, or allow any other Person to exercise any rights under, any of the terms or provisions of such Seller's Governing Documents;
 - (ii) do not and will not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) constitute or result in a breach or violation of, or conflict with or allow any other Person to exercise any rights under, any of the terms or provisions of any Contracts to which such Seller is a party or pursuant to which the Seller's assets or property may be affected;
 - (iii) do not and will not result in a breach of, or cause the termination or revocation of, any Authorization held by such Seller in connection with the ownership of the Purchased Shares or the operation of the Business;
 - (iv) do not and will not give rise to any right of termination or acceleration of indebtedness or cause any third party indebtedness owing by such Seller to come due before its stated maturity or cause any available credit facility to cease to be available on terms no less favourable than those currently existing;
 - (v) do not and will not result in the imposition of any Lien upon any of the Assets or restrict, hinder, impair or limit the ability of the Target Corporation to carry on the Business as and where it is now being carried on or as and where it is currently contemplated that it will be carried on in the future; and
 - (vi) do not and will not result in the violation of any applicable Law.
- (e) **Required Authorizations.** There is no requirement to make any filing with, give any notice to, or obtain any Authorization of, any Governmental Entity as a condition to or in connection with the execution and delivery by such Seller of this

Agreement or the completion by the Seller of the transactions contemplated by this Agreement.

- (f) **Required Consents.** There is no requirement to give any notice to or obtain any consent of (which includes any waiver, permit, exemption, order, approval, agreement, amendment, confirmation, licence or other authorization) a party under any Contract to which such Seller is a party as a condition to or in connection with the execution and delivery by such Seller of this Agreement or the completion by such Seller of any of the transactions contemplated by this Agreement.
- (g) **Execution and Binding Obligation.** This Agreement and each of the Ancillary Agreements to which such Seller is (or will be) a party has been (or in the case of certain Ancillary Agreements, will be prior to the Closing Date) duly executed and delivered by such Seller, as applicable, and constitutes (or will, once executed and delivered by all applicable Parties, constitute) a legal, valid and binding obligation of such Seller, enforceable against such Person in accordance with its terms subject only to any limitation under applicable Laws relating to (i) bankruptcy, winding-up, insolvency, arrangement and other Laws of general application affecting the enforcement of creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.
- (h) **No Other Agreements to Purchase.** Except for the Purchaser's rights under this Agreement, no Person has any Contract, option or warrant or any right or privilege (whether by law, pre-emptive or contractual, written or oral) capable of becoming such for the purchase or acquisition from such Seller of any Purchased Shares.
- (i) **Tax Matters.** Other than [REDACTED]
[REDACTED] [redacted – personal information], each Seller is not a non-resident of Canada for the purposes of the Tax Act. The Sellers understand and agree that there may be material Tax consequences to them of acquiring, holding or disposition of Closing Consideration Shares. The Purchaser gives no opinion and makes no representation with respect to the Tax consequences to the Sellers under Canadian, provincial, local or foreign Tax Law of the Sellers' acquisition, holding or disposition of Closing Consideration Shares and each Seller acknowledges that he or she is solely responsible for determining the Tax consequences of acquiring, holding or disposing of Closing Consideration Shares.
- (j) **Title to Purchased Shares.** Each Seller is the registered and beneficial owner of such Purchased Shares as set out on Exhibit A hereto, in each case, with good and marketable title, free and clear of all Liens other than those restrictions on transfer, if any, contained in applicable Law (which Laws do not prohibit the transfer of the Purchased Shares as contemplated herein, subject to customary post-Closing filings) or the Governing Documents of the Target Corporation.
- (k) **Closing Consideration Shares.** Each Seller understands that:
 - (i) he, she or it (as applicable) will not be able to resell the Closing Consideration Shares except in accordance with Applicable Securities Laws, any requirements of the TSXV and the voluntary hold set out in Section 3.2(k)(vii) below;

- (ii) if resident in Canada, he, she or it (as applicable) is receiving the Closing Consideration Shares pursuant to the prospectus exemption provided by section 2.16 (Take-Over Bid and Issuer Bid Exemption) of National Instrument 45-106 – *Prospectus Exemptions* (“NI 45-106”);
- (iii) if resident in the United States, he, she or it (as applicable) is receiving the Closing Consideration Shares pursuant to the prospectus exemption provided by Rule 802 of the *United States Securities Act of 1933*, as amended;
- (iv) if resident in a jurisdiction other than Canada or the United States, he, she or it (as applicable) is knowledgeable of, or has been independently advised as to, the Applicable Securities Laws of the jurisdiction in which the Seller is resident and which would apply to the acquisition of the Closing Consideration Shares, and the Seller is receiving the Closing Consideration Shares pursuant to exemptions from prospectus or registration requirements or equivalent requirements under Applicable Securities Laws or, if such is not applicable, the Seller is permitted to receive the Closing Consideration Shares under the Applicable Securities Laws of his, her or its (as applicable) international jurisdiction without the need to rely on any exemptions;
- (v) he or she (as applicable) has such knowledge and experience in financial and business matters that he or she (as applicable) is capable of evaluating the merits and risks of the acquisition of the Closing Consideration Shares as contemplated by this Agreement and is able to bear the economic risk of such investment for an indefinite period of time;
- (vi) no Canadian or U.S. federal, state or provincial agency or any other Governmental Entity has passed upon or made any recommendation or endorsement of the Closing Consideration Shares or an investment therein; and
- (vii) the Closing Consideration Shares shall be subject to a voluntary hold in accordance with the following:
 - (A) 10% of the Closing Consideration Shares issued to each Seller shall be freely tradeable on Closing;
 - (B) an additional 10% of the Closing Consideration Shares issued to each Seller shall be freely tradeable on the one-month anniversary of the Closing Date;
 - (C) an additional 15% of the Closing Consideration Shares issued to each Seller shall be freely tradeable on the two-month anniversary of the Closing Date;
 - (D) an additional 25% of the Closing Consideration Shares issued to each Seller shall be freely tradeable on the three-month anniversary of the Closing Date; and

- (E) the remaining 40% of the Closing Consideration Shares issued to each Seller shall be freely tradeable on the six-month anniversary of the Closing Date.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

4.1 Representations and Warranties of the Purchaser.

The Purchaser represents and warrants as follows to the Sellers and acknowledges and agrees that the Sellers are relying on such representations and warranties in connection with the sale of the Purchased Shares:

- (a) **Organization and Qualification.** The Purchaser is a corporation duly organized, validly existing under the laws of its jurisdiction of organization and has the requisite corporate power and capacity to own its assets and to carry on its business as currently conducted. The Purchaser has the corporate power and authority to enter into and perform its obligations under this Agreement and each of the Ancillary Agreements.
- (b) **Authority.** The execution, delivery of and performance by the Purchaser of this Agreement and each of the Ancillary Agreements and the consummation of the transactions contemplated herein and therein have been (or will be prior to the execution thereof) duly authorized by all necessary corporation action on the part of the Purchaser.
- (c) **No Violation or Breach.** The execution and delivery by the Purchaser of, and performance and consummation by the Purchaser of any transaction contemplated in, this Agreement and each of the Ancillary Agreements to which it is (or will be) a party:
 - (i) do not and will not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) constitute or result in a violation or breach of, or conflict with, or allow any other Person to exercise any rights under, any of the terms or provisions of the Purchaser's Governing Documents;
 - (ii) do not and will not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) constitute or result in a breach or violation of, or conflict with or allow any other Person to exercise any rights under, any of the terms or provisions of Material Contracts or instruments to which the Purchaser is a party; and
 - (iii) do not and will not result in the violation of any applicable Law.
- (d) **Execution and Binding Obligation.** This Agreement and each of the Ancillary Agreements has been (or in the case of certain Ancillary Agreements, will be prior to the Closing Date) duly executed and delivered by the Purchaser and constitute (or will, once executed and delivered, constitute) a legal, valid and binding agreement of the Purchaser enforceable against it in accordance with its terms subject only to any limitation under applicable Laws relating to (i) bankruptcy, winding-up, insolvency, arrangement and other Laws of general application affecting the enforcement of creditors' rights, and (ii) the discretion that a court may

exercise in the granting of equitable remedies such as specific performance and injunction.

- (e) **No Brokers.** Neither the Purchaser nor any of its representatives has incurred any liability or obligation to any consultant, broker, agent, investment bank or other intermediary for any fee, commission or other similar payment in connection with the transactions contemplated by this Agreement or any Ancillary Agreement to which it is or will be a party.
- (f) **No Material Adverse Change.** Since March 1, 2020, there has not been any Material Adverse Change – Purchaser, and to the Knowledge of the Purchaser after due and diligent inquiry, no event has occurred or circumstance exists which could reasonably be expected to result in such a Material Adverse Change – Purchaser.
- (g) **Litigation.** Except as disclosed in Schedule 4.1(g), there are no Proceedings pending or, to the Knowledge of the Purchaser, threatened against or by the Purchaser affecting its business or any of the Purchaser's properties or assets. There are no outstanding Governmental Orders and no unsatisfied judgments, penalties or awards against or affecting the Purchaser or its business.
- (h) **Purchased Shares.**
 - (i) The Purchaser has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the purchase of the Purchased Shares as contemplated by this Agreement and is able to bear the economic risk of such investment for an indefinite period of time.
 - (ii) The Purchaser understands that it is purchasing the Purchased Shares pursuant to the prospectus exemption provided by section 2.3 of NI 45-106. The Purchaser comes within the category of persons referred to in paragraph (m) of the definition of “accredited investor” in section 1.1 *Definitions* of NI 45-106.
- (i) **Capitalization.** The authorized share capital of the Purchaser consists of an unlimited number of Purchaser Shares. As at the date hereof, 365,116,414 Purchaser Shares were issued and outstanding, and an aggregate of 32,029,131 Purchaser Shares are issuable upon the exercise of the warrants and options, and, except as set out herein, as of the date hereof, there are no options, warrants, conversion privileges or other rights, shareholder rights plans, agreements, arrangements or commitments (pre-emptive, contingent or otherwise) of any character whatsoever requiring or which may require the issuance, sale or transfer by the Purchaser of any securities of the Purchaser (including the Closing Consideration Shares), or any securities or obligations convertible into, or exchangeable or exercisable for, or otherwise evidencing a right or obligation to acquire, any securities of the Purchaser (including the Closing Consideration Shares). All outstanding Purchaser Shares have been duly authorized and validly issued, are fully paid and non-assessable.

- (j) **Reporting Status and Securities Laws Matters.** The Purchaser is a “reporting issuer” and not on the list of reporting issuers in default under applicable Canadian provincial Securities Laws applicable in the Provinces of Alberta, British Columbia and Ontario.
- (k) **Public Filings.** To the best of the Purchaser’s Knowledge, since January 1, 2018, the Purchaser has filed all documents required to be filed by it in accordance with applicable Laws to maintain the Purchaser’s status as a reporting issuer not on the list of reporting issuers in default under applicable Canadian provincial securities laws in the Provinces of Alberta, British Columbia and Ontario. To the best of the Purchaser’s Knowledge, all such documents and information comprising the Purchaser Public Disclosure Record, as of their respective dates (and the dates of any amendments thereto): (i) did 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 in which they were made, not misleading; and (ii) complied in all material respects with the requirements of applicable Laws, and any material amendments to the Purchaser Public Disclosure Record required to be made have been filed on a timely basis. The Purchaser has not filed any confidential material change report that at the date of this Agreement remains confidential. There has been no change in a material fact or a material change (as those terms are defined under the applicable Laws) in any of the information contained in the Purchaser Public Disclosure Record, except for changes in material facts or material changes that are reflected in a subsequently filed document included in the Purchaser Public Disclosure Record.
- (l) **Purchaser Financial Statements.** The Purchaser’s audited financial statements as at and for the years ended December 31, 2019 and 2018 (including the notes thereto and related management’s discussion and analysis) and the Purchaser’s unaudited condensed interim financial statements as at and for the three month period ended March 31, 2020 (collectively, the “**Purchaser Financial Statements**”) were prepared in accordance with IFRS, respectively, consistently applied (except as otherwise indicated in such financial statements and the notes thereto or in the related report of the Purchaser’s independent auditors) and present fairly in all material respects the financial condition, results of operations and changes in financial position of the Purchaser as of the dates thereof and for the periods indicated therein and reflect reserves required by IFRS, as applicable, in respect of all material contingent liabilities, if any, of the Purchaser.
- (m) **No Undisclosed Liabilities.** The Purchaser has no outstanding indebtedness, liability or obligation (including liabilities or obligations to fund any operations or work or exploration program, to give any guarantees or for Taxes), whether accrued, absolute, contingent or otherwise, and are not party to or bound by any suretyship, guarantee, indemnification or assumption agreement, or endorsement of, or any other similar commitment with respect to the obligations, liabilities or indebtedness of any Person, other than those specifically disclosed in the Purchaser Public Disclosure Record filed prior to the date of this Agreement, specifically identified in the Purchaser Financial Statements, or incurred in connection with the transactions contemplated herein or maintaining the Purchaser’s status as a reporting issuer not on the list of reporting issuers in default under applicable Laws applicable in the Provinces of Alberta, British Columbia and Ontario.

- (n) **Issuance of the Closing Consideration Shares.** The Closing Consideration Shares will, when issued by the Purchaser pursuant to this Agreement, be duly and validly issued as fully paid and non-assessable shares in the capital of the Purchaser.
- (o) **Compliance with Laws.** The Purchaser has complied with and is not in violation of any applicable Laws, other than non-compliance or violations which would not, individually or in the aggregate, have result in a Material Adverse Change – Purchaser and has not received any written notices or other correspondence from any Governmental Entity regarding any circumstances that have existed or currently exist which would lead to a loss, suspension or modification of, or a refusal to issue, any material license, permit, authorization, approval, registration or consent of a Governmental Entity relating to its activities which would reasonably be expected to restrict, curtail, limit or adversely affect the ability of the Purchaser to operate its businesses in a manner which would result in a Material Adverse Change – Purchaser.
- (p) **Related Party Transactions.** Other than as set forth in the Purchaser Public Disclosure Record, there are no contracts or other transactions currently in place between the Purchaser or its Subsidiaries, on the one hand, and: (i) any officer or director of the Purchaser or its Subsidiaries; (ii) any holder of record or, to the Knowledge of the Purchaser, beneficial owner of 10% or more of the Purchased Shares; and (iii) any Affiliates or associate of any such, officer, director, holder of record or beneficial owner, on the other hand.
- (q) **Restrictions on Business Activities.** There is no arbitral award, judgment, injunction, constitutional ruling, order or decree binding upon the Purchaser or its Subsidiaries that has or could reasonably be expected to have the effect of prohibiting, restricting, or impairing any business practice of any of them, any acquisition or disposition of property by any of them, or the conduct of the business by any of them as currently conducted, which could reasonably be expected to result in a Material Adverse Change – Purchaser.
- (r) **No Cease Trade.** The Purchaser is not subject to any cease trade or other order of any applicable Governmental Entity and, to the Knowledge of the Purchaser, no investigation or other proceedings involving the Purchaser which may operate to prevent or restrict trading of any securities of the Purchaser are currently in progress or pending before any applicable Governmental Entity.

ARTICLE 5 INTERIM PERIOD COVENANTS

5.1 Conduct of Business Prior to Closing.

- (a) The Sellers shall use reasonable best efforts to cause the Target Corporation to, except as expressly consented to by the Purchaser in writing prior to such event or action, conduct the Business in the Ordinary Course until the Closing Date; provided all acts and proceedings taken by the Target Corporation in the management and operation of the Business involving a commitment in excess of \$25,000 or commitments in excess of \$50,000 in the aggregate, and/or any payment in excess of \$25,000 or payments in excess of \$50,000 in the aggregate, made by such Person will be subject to the prior approval of the Purchaser, such approval not to be unreasonably withheld, delayed or conditioned. Without limiting

the generality of the foregoing, from the date hereof until the Closing, the Sellers shall cause the Target Corporation to:

- (i) except as expressly consented to by the Purchaser in writing, use commercially reasonable efforts to (A) preserve intact the Business and its organization and goodwill, (B) keep available the key Employees of the Business as a group;
- (ii) comply with all applicable Laws affecting the Target Corporation, the operation of the Business and use of the Assets;
- (iii) preserve and maintain (A) the Licences, and (B) any other Authorizations of the Target Corporation, and continue to pursue any pending licence applications, including by the filing of any notices that are required or advisable to be filed with any Governmental Entity in connection with such pending licence applications;
- (iv) defend and protect its Assets (including the Licences, other Authorizations and Intellectual Property) from infringement, loss or diminishment of rights or usurpation;
- (v) pay its debts, Taxes and other obligations when due;
- (vi) in accordance with Section 3.1(o), the Target Corporation shall pay-off or convert into equity of the Target Corporation all of its Liabilities prior to Closing;
- (vii) except as expressly consented to by the Purchaser in writing, which consent may not be unreasonably withheld, delayed or conditioned, not increase its Indebtedness for borrowed money and not make any loan or advance, or assume, guarantee or otherwise become liable with respect to the Liabilities or obligation of any Person. In respect of any Indebtedness, loan, advance, assumption, guarantee or Liability referenced in this Section 5.1(a)(vii), consent of the Purchaser is subject to receipt by the Purchaser of definitive documentation in respect of such borrowing on terms and conditions satisfactory to the Purchaser, including the Purchaser being satisfied that such transaction will not delay or otherwise affect the transactions contemplated herein. For certainty, the failure to receive satisfactory definitive documentation shall constitute reasonable grounds for the Purchaser withholding its consent to any transaction referred to in this Section 5.1(a)(vii);
- (viii) except as expressly consented to by the Purchaser in writing, not make any changes in management personnel or terminate any director or grant any severance or termination pay to any employee, manager, officer or director;
- (ix) not, (i) materially increase compensation or severance or termination entitlements or other benefits payable (including, for certainty, bonus payments, retention payments, incentive compensation payments, service award payments and other similar payments) to an employee, manager, director or officer of the Target Corporation, including by way of an incentive plan, (ii) materially increase compensation or severance or

termination entitlements or other benefits payable (including, for certainty, bonus payments, retention payments, incentive compensation payments, service award payments and other similar payments) to all or substantially all of the employees, managers, officers and/or directors of the Target Corporation, or (iii) take or omit to take any action (x) that would entitle any Person to any bonus, lump sum, change of control, severance, termination, retention or other payment or (y) to otherwise secure or guarantee any such payment, except, in each case, as expressly consented to by the Purchaser in writing, which consent is not to be unreasonably withheld, delayed or conditioned, provided that if such increase, action or omission to take an action is in respect of any compensation or entitlement of the Sellers or an Affiliate thereof, the Purchaser may withhold consent in its sole discretion;

- (x) except as expressly contemplated by this Agreement, not transfer or issue or permit the transfer or issuance of any Purchased Shares or any shares, other equity securities (including any partnership or joint venture interest), debt securities, profit interests, profit participation, equity appreciation or similar rights, pre-emptive or subscription rights, rights of first refusal or voting trusts or allow for any other direct or indirect capital contributions or other ownership interests in the Target Corporation or grant any right, option or entitlement of any nature to any of the foregoing;
 - (xi) except as expressly consented to by the Purchaser in writing, not amend any of the terms or provisions of the Target Corporation's constituting documents or by-laws;
 - (xii) maintain the Books and Records of the Target Corporation in the Ordinary Course and record all transactions on a basis consistent with that practice;
 - (xiii) not, (i) make, change or revoke, or permit the Target Corporation to make, change or revoke, any Tax election, or file or cause to be filed an amended Tax Return unless required by Law; (ii) make, or permit the Target Corporation to make, any change in any Tax or accounting methods or policies or systems of internal accounting controls, except to conform to changes in Laws related to Taxes or accounting requirements; (iii) take any position on any Tax Return, take any action, omit to take any action or enter into any other transaction that would have the effect of increasing the Tax liability or reducing any Tax asset or attribute of the Target Corporation; or (iv) consent to any extension or waiver of a limitation period applicable to any claim, assessment or reassessment in respect of Taxes; and
 - (xiv) not take or permit any action that would cause any of the changes, events or conditions described in this Section 5.1(a) to occur.
- (b) The Sellers shall use commercially reasonable efforts: (i) to not cause or permit to exist a breach of any representations and warranties of the Sellers contained in this Agreement; and (ii) to cause the Business to be conducted in such a manner that on the Closing Date such representations and warranties will be true, correct and complete as if they were made on and as of such date.
 - (c) The Sellers shall use commercially reasonable efforts to not cause or permit to exist a breach of any of its representations and warranties contained in this Agreement.

- (d) The Parties will consult on an ongoing basis in order that the representatives of the Purchaser will become more familiar with the management, staff, philosophy and techniques, and Books and Records of the Target Corporation, as well as with the Business and in order to provide experience as a basis for ongoing relationships in connection with the acquisition of the Target Corporation as of the Closing Date. These consultations will include any commitments, arrangements or transactions proposed to be entered into that could reasonably be expected to give rise to a material Liability or commitment of any kind and will allow sufficient time for the Purchaser to give reasonable consideration to the same. The Parties will develop procedures such that these consultations will be carried out quickly and effectively without detracting from the ability of the Target Corporation to arrive at decisions in a timely manner and manage the Business thereof in the Ordinary Course.

5.2 Access to Information.

The Sellers will forthwith use commercially reasonable efforts to make available to the Purchaser and its authorized representatives all data bases recorded or stored by means of any device, including in electronic form, title documents, abstracts of title, deeds, surveys, leases, certificates of trademarks and copyrights, Intellectual Property applications, registrations and correspondence relating thereto, Contracts and commitments in their possession or under their control relating to the Target Corporation, the Assets or the Business. The Sellers will use commercially reasonable efforts to forthwith make available to the Purchaser and its authorized representatives for examination all Books and Records relating to the Target Corporation. The Sellers will use commercially reasonable efforts to give the Purchaser and its authorized representatives every reasonable opportunity to have access to and to inspect the Assets, subject to the requirement that the Business continue to be able to be carried on in the Ordinary Course. The Sellers will also use commercially reasonable efforts to permit such reasonable inspections of the Assets prior to the Closing as the Purchaser may require.

5.3 Other Interim Period Covenants.

- (a) Each of the Parties agrees not to take any action, or refrain from taking any action or permit any action to be taken or not taken (which, in respect of the Sellers, includes causing or permitting the Target Corporation to take or refrain from taking any action) (subject to a commercially reasonable efforts qualification), inconsistent with the provisions of this Agreement or that would reasonably be expected to materially impede the completion of the purchase and sale of the Purchased Shares, or such Party's ability to perform or comply with its covenants and agreements under this Agreement.
- (b) The Sellers shall promptly notify the Purchaser, and the Purchaser shall promptly notify the Target Corporation, first orally and then in writing: (i) of any material Governmental Entity or third party complaints, investigations, notices or hearings (or communications indicating that the same may be contemplated); (ii) of any notice or other communication from any Person alleging that the consent (or waiver, permit, exemption, order, approval, agreement, amendment, confirmation, licence or other authorization) of such Person (or other Person) is or may be required in connection with this Agreement, the Ancillary Agreements or the transaction contemplated hereby and thereby; (iii) of any breach by it of any covenant or agreement contained in this Agreement or the occurrence, or failure to occur, of any event or state of facts which occurrence or failure would or would be likely to result in the failure to comply with or satisfy any covenant or agreement

contained in this Agreement; (iv) upon any representation or warranty made by it contained in this Agreement becoming untrue or incorrect during the Interim Period; and (v) in the case of the Sellers, of the occurrence of any Material Adverse Change – Target, and in the case of the Purchaser, of the occurrence of any Material Adverse Change – Purchaser. Each representation and warranty will be deemed to be given at and as of all times during the Interim Period. Any such notification must set out the particulars of the complaint, notice, breach, untrue, incorrect or inaccurate representation or warranty and details of any actions being taken by the Sellers or the Purchaser, as the case may be, to rectify that state of affairs.

- (c) The Sellers shall promptly notify the Purchaser of any material developments relating to: (i) the Hexagon-IMC Joint Venture; (ii) the Business; or (ii) the REE Technology. Reference is made to the covenant set forth in Section 3.1(mm).
- (d) Reference is made to the covenant set forth in Section 3.1(nn).

5.4 Actions to Satisfy Closing Conditions.

- (a) The Sellers covenant and agree that during the Interim Period, the Sellers shall use commercially reasonable efforts to take or cause to be taken all such actions and to do all things necessary, proper, or advisable in order to consummate and make effective the transactions contemplated by this Agreement (including so as to ensure satisfaction of all of the conditions specified in Section 6.1).
- (b) The Purchaser covenants and agrees that during the Interim Period, it shall use commercially reasonable efforts to take or cause to be taken all such actions and to do all things necessary, proper, or advisable in order to consummate and make effective the transactions contemplated by this Agreement (including so as to ensure satisfaction of all of the conditions specified in Section 6.2).

5.5 Regulatory Authorizations.

- (a) As soon as reasonably practicable after the date hereof, each Party shall make all necessary filings, applications and submissions required to be made by it (which, in the case of the Sellers, shall include those filings, applications and submissions required to be made by the Target Corporation), including such necessary filings, applications and submissions in connection with the Authorizations, with Governmental Entities under all applicable Laws in respect of the transactions contemplated herein, and the other Parties shall cooperate with such Party, at such Party's expense, in connection therewith. Each Party shall use its commercially reasonable efforts to obtain, and to cause its affiliates and subsidiaries to obtain, all Authorizations or waivers thereof required to be obtained by it (which, in the case of the Sellers, shall include those Authorizations or waivers required to be made by the Target Corporation) from Governmental Entities in respect of the transaction contemplated herein.
- (b) Subject to applicable Law, each of the Purchaser and the Sellers, collectively, shall provide the other Party with a reasonable opportunity to review and comment on all filings, applications and submissions with Governmental Entities to be made by it (which, in the case of the Sellers, shall include those filings, applications and submissions required to be made by the Target Corporation and any of the other Sellers) or its affiliates and each of the Purchaser and the Sellers shall use their

commercially reasonable efforts to cooperate and assist each other in the preparation and making of all such filings, applications and submissions and the obtaining of all Authorizations or waivers thereof required to be obtained by such Party.

- (c) Each of the Purchaser and, collectively, the Sellers shall promptly notify the other Party of any material communication to such Party (which, in the case of the Sellers, shall include those communications made to the Target Corporation) from any Governmental Entity in respect of the transactions contemplated herein and, subject to applicable Law, provide the other such Party with a reasonable opportunity to review and comment on any proposed written material communication with any such Governmental Entity. Each such Party shall consult with the other such Party prior to any material meeting or discussions with any Governmental Entity in respect of the transactions contemplated herein and give the other Parties an opportunity to participate thereat or therein.

5.6 Exclusivity.

- (a) During the Interim Period, the Sellers agree that it will not to cause the Target Corporation and its directors, officers, managers, members, employees, agents, consultants, lenders, financing sources, advisors or other representatives, including legal counsel, accountants and financial advisors, not to, directly or indirectly: (i) propose, entertain, solicit, initiate or encourage any inquiry, proposal, offer or contact from any Person (other than Purchaser and its affiliates and representatives) relating to any transaction involving the sale of any shares or other ownership interest or any assets (other than the sale of inventory in the Ordinary Course) or debt of the Target Corporation, including the Purchased Shares, any acquisition, divestiture, merger, share or unit exchange, consolidation, redemption, financing or similar transaction involving the Target Corporation, or any similar transaction or business combination involving the Target Corporation (in each case, an “**Acquisition Proposal**” and for certainty, excluding the Hexagon-IMC Joint Venture); or (ii) participate in any discussion or negotiation regarding, or furnish any information with respect to, or assist or facilitate in any manner, any Acquisition Proposal or any attempt to make an Acquisition Proposal.
- (b) The Sellers shall cause the Target Corporation to, immediately cease, and cause to be terminated, any and all contact, discussions and negotiations with third parties regarding any Acquisition Proposal, and the Sellers will notify the Purchaser immediately if any Person makes any proposal, offer, inquiry or contact related to an Acquisition Proposal and provide Purchaser with the details thereof (including the Person making such offer, inquiry or contact and a copy of all written communication in connection therewith) and their response thereto which shall be reviewed and approved by the Purchaser acting reasonably. The Sellers shall also immediately cease any access granted to any third party to any information or data room containing any information relating to the Target Corporation, and shall request such third parties to return all such information to the Target Corporation.

5.7 Confidentiality.

Each Party hereby acknowledges that it is or may become in possession of proprietary information relating to (i) the Purchaser or the Sellers and their respective Affiliates and the businesses, assets, Intellectual Property and other information of such Party, and (ii) the Business, the Assets and the Target Corporation (collectively, the “**Confidential Information**”). This Agreement and

any other documents or Information shared by or on behalf of the Purchaser and the Target Corporation with respect to this Agreement or the transactions contemplated by it are confidential and subject to the non-disclosure agreement between the Purchaser and the Target Corporation, dated November 6, 2019 (the “**Confidentiality Agreement**”) (the terms of which are incorporated into this Agreement as necessary).

5.8 Purchaser Meeting.

This Section 5.8 shall only be applicable if approval by the Purchaser's shareholders of the transactions contemplated by this Agreement is required by the TSXV or otherwise under applicable Law.

- (a) As promptly as reasonably practicable following the determination that such shareholder approval is required, which determination shall be made by the Purchaser promptly after execution of this Agreement, the Purchaser shall prepare and complete the Purchaser Circular together with any other documents required by applicable Laws in connection with the Purchaser Meeting and the Purchaser shall cause the Purchaser Circular and such documents to be filed in accordance with the Applicable Securities Laws and any securities commission and regulatory authority in Canada and the United States, as applicable, and sent to each Person, in each case, within the timelines required by, and as required by applicable Laws, so as to permit the Purchaser Meeting to be held prior to the Closing Date. The Purchaser shall ensure that the Purchaser Circular does not contain a Misrepresentation (provided that the Purchaser shall not be responsible for the accuracy of any Target Information or any other information furnished by the Sellers for purposes of inclusion in the Purchaser Circular pursuant to this Section 5.8).
- (b) The Sellers shall provide to the Purchaser all necessary information concerning the Sellers and the Target Corporation for inclusion in the Purchaser Circular including the Target Information, in each case as required by applicable Law or at the consent of the Purchaser, acting reasonably. The Sellers shall advise the Purchaser if any such information would include any Misrepresentation concerning the Sellers or the Target Corporation.
- (c) The Purchaser Circular must: (i) contain a statement that the Purchaser Board unanimously recommends that the shareholders vote in favour of the transactions contemplated hereby; (ii) contain a statement that each director of the Purchaser intends to vote all of such Person's securities of the Purchaser in favour of the Transaction Resolution and against any resolution submitted by any shareholder of the Purchaser that would reasonably be expected to adversely affect or reduce the likelihood of the successful completion of the transactions contemplated hereby. For greater certainty, nothing in this Agreement restricts or prohibits the Purchaser from, in good faith and upon advice of legal counsel, acting in accordance with their fiduciary duties.
- (d) The Purchaser shall ensure that the Purchaser Circular complies in all material respects with all applicable Laws, and, without limiting the generality of the foregoing, that the Purchaser Circular shall not contain any Misrepresentation (other than with respect to any information furnished by the Sellers for inclusion in the Purchaser Circular).

- (e) The Sellers and the Sellers' legal counsel shall be given a reasonable opportunity to review and comment on drafts of the Purchaser Circular and other documents related thereto prior to filing such materials on SEDAR, and reasonable consideration shall be given to any comments made by the Sellers and the Sellers' legal counsel, provided that all information relating solely to the Sellers included in the Purchaser Circular shall be in form and content satisfactory to the Sellers.
- (f) Each of the Purchaser, on the one hand, and the Sellers, on the other, shall promptly notify the other Party if such Party becomes aware that the Purchaser Circular contains a Misrepresentation or otherwise requires an amendment or supplement and the Purchaser and the Sellers shall cooperate in the preparation of any amendment or supplement to the Purchaser Circular as required or appropriate and the Purchaser shall promptly mail, otherwise publicly disseminate and file any amendment or supplement to the Purchaser Circular as required by applicable Laws.
- (g) The Purchaser shall convene and conduct the Purchaser Meeting in accordance with the Purchaser's constating documents and applicable Laws as promptly as practicable and in any event, prior to the Closing Date, and not to propose to adjourn or postpone the Purchaser Meeting except: (a) as required for quorum purposes or by applicable Laws; or (b) for an adjournment consented to by the Sellers.
- (h) The Purchaser shall use its commercially reasonable efforts to solicit proxies in favour of the approval of the Transaction Resolution.
- (i) The Purchaser shall give notice to the Sellers of the Purchaser Meeting and allow the Sellers' representatives and legal counsel to attend the Purchaser Meeting.
- (j) The Purchaser shall advise the Sellers, as the Sellers may reasonably request, and at least on a daily basis on each of the last ten (10) Business Days prior to the date of the Purchaser Meeting, as to the aggregate tally of the proxies received by the Purchaser in respect of the Transaction Resolution and any further information respecting such proxies as the Sellers may reasonably request.

5.9 Securities Law Matters.

The Sellers will: (i) take such steps as are necessary by such Persons to assist the Purchaser in securing the acceptance of the TSXV of the transactions contemplated herein including, without limitation, providing as soon as practicable all Personal Information Forms (as such term is defined by the TSXV) as may be required by the TSXV in respect of the Sellers and shareholders of the Target Corporation, as well as the senior management and Purchaser Board changes contemplated by the Recitals; (ii) provide to the Purchaser all necessary information in respect of the Sellers and the Target Corporation in order to enable the Purchaser to file all required forms under applicable Canadian securities Laws, as applicable, in connection with the issuance and delivery of the Closing Consideration Shares; and (iii) use best efforts to provide to the Purchaser, within ten (10) Business Days of a written request therefor, any Target Information reasonably requested by the Purchaser. The Sellers shall ensure that any such information will not include any Misrepresentation concerning the Sellers or the Target Corporation. The Sellers shall promptly notify the Purchaser if the Sellers becomes aware that any of the Target Information that has been publicly filed contains a Misrepresentation or otherwise requires an amendment or supplement and the Sellers shall cooperate with the Purchaser in the preparation of any amendment or supplement to the publicly filed Target Information as required or appropriate.

ARTICLE 6 CONDITIONS OF CLOSING

6.1 Conditions for the Benefit of the Purchaser.

The obligations of the Purchaser to complete the transactions contemplated by this Agreement shall be subject to the satisfaction, on or before the Closing Date, of the following conditions precedent, each of which is for the Purchaser's exclusive benefit and may be waived, in whole or in part, by the Purchaser in its sole discretion:

- (a) **Truth of Representations and Warranties.** The representations and warranties of the Sellers contained in this Agreement are true and correct in all material respects (except to the extent such representations and warranties are qualified by materiality, in which case they must be true and correct in all respects) as of the date of this Agreement and as of the Closing Date with the same force and effect as if made at and as of such date (other than any representations and warranties which speak as of a specific time, in which case such representations and warranties will be true and correct as of such time) and the Sellers shall have delivered a certificate to that effect.
- (b) **Performance of Covenants.** The Sellers shall have fulfilled or complied with all obligations, conditions and covenants contained in this Agreement required to be fulfilled or complied with at or prior to the Closing, and the Sellers shall have delivered a certificate to that effect.
- (c) **Consents and Authorizations.** All filings, notices, Authorizations, consents (which includes any waivers, permits, exemptions, orders, approvals, agreements, amendments, confirmations, licences or other authorizations) from Governmental Entities or such other Persons required to be obtained prior to Closing (including those listed in Schedule 3.1(s) (Required Authorizations) and Schedule 3.1(t) (Required Consents) of the Seller Disclosure Letter) will have been obtained or made on terms acceptable to the Purchaser. All such filings, notices, Authorizations and consents will be in force and will not have been modified or rescinded. No Governmental Entity shall have (i) denied or threatened to deny, or informed the Target Corporation that there are circumstances that may lead to the Target Corporation being denied an Authorization, or (ii) informed the Target Corporation that it has failed to satisfy a condition in respect of receiving an Authorization.
- (d) **Deliveries.** The Target Corporation and/ or the Sellers, as the case may be, shall deliver or cause to be delivered to the Purchaser the following in form and substance satisfactory to the Purchaser, acting reasonably:
 - (i) **Share Certificate.** Share certificate representing the Purchased Shares, free and clear of all Liens, duly endorsed in blank for transfer, or accompanied by irrevocable security transfer powers of attorney duly executed in blank, in either case by the holders of record, together with evidence satisfactory to the Purchaser that the Purchaser or the Purchaser's nominee (as directed by the Purchaser) has been entered upon the books of the Target Corporation as the holder of the Purchased Shares;

- (ii) **Officer's Certificates.** Certified copies of (A) the Governing Documents the Target Corporation, (B) all resolutions of the shareholders and the board of directors of the Target Corporation approving the entering into and completion of the transactions contemplated by this Agreement and the Ancillary Agreements, including approval of the transfer of the Purchased Shares, and (C) the incumbency and signatures of the Persons signing this Agreement and the Ancillary Agreements;
- (iii) **Certificates of Status.** (A) A certificate of status, compliance, good standing or like certificate with issued by appropriate government officials of their respective jurisdictions of incorporation and of each jurisdiction in which the Target Corporation carries on its Business and (B) a certificate of status, compliance good standing or like certificate with respect to the corporate Sellers;
- (iv) **Required Authorizations.** The Authorizations as specified in Schedule 3.1(s) of the Seller Disclosure Letter duly executed by the applicable Governmental Entity or third party;
- (v) **Required Consents.** The consents as specified in Schedule 3.1(t) of the Seller Disclosure Letter duly executed by the applicable Governmental Entity or third party; and
- (vi) **Closing Certificate.** A certificate, dated as of the Closing Date and signed by a duly authorized officer of the Target Corporation, certifying that the conditions set forth in Section and 6.1(a) and 6.1(b) are true and accurate and have been satisfied and that there is no Material Adverse Change – Target as set out in Section 6.1(i) hereof, in the form and substance satisfactory to the Purchaser, acting reasonably.
- (vii) **IP Assignment.** An IP Assignment, in the form incorporated in Schedule 3.1(gg)(vi), duly executed by Dr. Gareth P. Hatch and Patrick Wong.
- (e) **Due Diligence.** The Purchaser shall be satisfied, in its sole discretion, with its due diligence investigations in respect of the Target Corporation.
- (f) **TSXV Approval.** The Purchaser shall have received receipt of conditional approval from the TSXV for the transactions contemplated by this Agreement.
- (g) **Purchaser Board Approval.** The Purchaser Board shall have approved the transactions contemplated hereby.
- (h) **Shareholder Approval.** If required by the TSXV or otherwise by applicable Law, the Purchaser shall have received shareholder approval of the Transaction Resolution.
- (i) **No Material Adverse Change.** There shall not have occurred any Material Adverse Change – Target, and the Sellers shall have delivered a certificate, executed on behalf of the Sellers, to that effect.
- (j) **No Legal Action.** No action or proceeding will be pending or threatened by any Person, and there is no order or notice from any Governmental Entity, to (or which seeks to) enjoin, restrict or prohibit, on a temporary or permanent basis any of the transactions contemplated by this Agreement (including the ability of the Sellers to

complete the sale of the Purchased Shares) or imposing any terms or conditions on the transactions contemplated by this Agreement, the Business or the business of the Purchaser or otherwise limiting the right of the Purchaser to conduct its business or the Business after Closing.

6.2 Conditions for the Benefit of the Sellers.

The obligations of the Sellers to complete the transactions contemplated by this Agreement shall be subject to the satisfaction, on or before the Closing Date, of the following conditions precedent, each of which is for the Sellers' exclusive benefit and may be waived, in whole or in part, by the Sellers, in the Sellers' sole discretion:

- (a) **Truth of Representations and Warranties.** The representations and warranties of the Purchaser contained in this Agreement are true and correct in all material respects (except to the extent such representations and warranties are qualified by materiality, in which case they must be true and correct in all respects) as of the date of this Agreement and as of the Closing Date with the same force and effect as if made at and as of such date (other than any representations and warranties which speak as of a specific time, in which case such representations and warranties will be true and correct as of such time) and the Purchaser shall have delivered a certificate executed by a senior officer of the Purchaser to that effect.
- (b) **Performance of Covenants.** The Purchaser shall have fulfilled or complied with all obligations, conditions and covenants contained in this Agreement required to be fulfilled or complied with by it at or prior to the Closing, and the Purchaser shall have delivered a certificate executed by a senior officer of the Purchaser to that effect.
- (c) **Deliveries.** The Purchaser shall deliver or cause to be delivered to the Sellers the following in form and substance satisfactory to the Sellers, acting reasonably:
 - (i) **Share Certificates.** Share certificates or other evidence representing the Closing Consideration Shares issuable to the Sellers;
 - (ii) **Officer's Certificate.** Certified copies of (A) the Governing Documents, (B) all resolutions or minutes of the shareholders and the board of directors, as applicable, of such the Purchaser approving the entering into and completion of the transaction contemplated by this Agreement and the Ancillary Agreements, including approval of the transfer of the Closing Consideration Shares, and (C) the incumbency and signatures of the Persons signing this Agreement and the Ancillary Agreements;
 - (iii) **Certificates of Status.** A certificate of status, compliance, good standing or like certificate with respect to each of the Purchaser issued by appropriate government official of the jurisdiction of its incorporation;
 - (iv) **Closing Certificate.** Certificate dated as of the Closing Date and signed by a duly authorized officer of the Target Corporation, certifying that the conditions set forth in Section 6.2(a) and 6.2(b) are true and accurate and have been satisfied and that there is no Material Adverse Change – Purchaser as set out in Section 6.2(i) hereof, in the form and substance satisfactory to the Purchaser, acting reasonably.

- (d) **TSXV Approval.** The Purchaser shall have received receipt of conditional approval from the TSXV for the transactions contemplated by this Agreement.
- (e) **Board Approval.** The Seller Board shall have approved the transactions contemplated hereby.
- (f) **Due Diligence.** The Seller Board shall be satisfied, in its sole discretion, with its due diligence investigations in respect of the Purchaser.
- (g) **Shareholder Approval.** The corporate Sellers shall have received shareholder approval for entering into of the Agreement, the Ancillary Agreement and the transactions contemplated thereby and hereby.
- (h) **No Legal Action.** No action or proceeding will be pending or threatened by any Person and there is no order or notice from any Governmental Entity, to (or which seeks to) enjoin, restrict or prohibit, on a temporary or permanent basis any of the transactions contemplated by this Agreement or imposing any terms or conditions on the transactions contemplated by this Agreement.
- (i) **No Material Adverse Change.** There shall not have occurred any Material Adverse Change – Purchaser, and the Purchaser shall have delivered a certificate executed by a senior officer of the Purchaser to that effect.

ARTICLE 7 TERMINATION

7.1 Termination Rights.

This Agreement may, by notice in writing given on or prior to the Closing Date, be terminated:

- (a) by mutual consent of the Parties;
- (b) by the Purchaser:
 - (i) if there has been a material breach of this Agreement by the Sellers and such breach has not been waived in writing by the Purchaser;
 - (ii) if any of the conditions in Section 6.1 have not been satisfied or it becomes reasonably apparent that any of such conditions will not be satisfied by July 31, 2020 (other than as result of the failure of the Purchaser to perform any of its material obligations) and the Purchaser has not waived such condition in writing at or prior to July 31, 2020;
 - (iii) if there has been a breach of any of the Interim Period covenants of the Sellers or the Target Corporation; or
 - (iv) if there has occurred a Material Adverse Change – Target.
- (c) by the Sellers:
 - (i) if there has been a material breach of this Agreement by the Purchaser and such breach has not been waived by the Sellers;

- (ii) if any of the conditions in Section 6.2 have not been satisfied or it becomes reasonably apparent that any of such conditions will not be satisfied by July 31, 2020 (other than as result of the failure of a Seller to perform any of its material obligations) and the Sellers, acting together, have not waived such condition in writing at or prior to July 31, 2020; or
- (iii) if there has occurred a Material Adverse Change – Purchaser.

7.2 Effect of Termination.

A Party's right of termination under this Article 7 is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of a right of termination by a Party will not constitute an election of remedies. If this Agreement is terminated pursuant to Article 7, this Agreement will be of no further force or effect; provided, however, that (i) Section 5.7 (Confidentiality), this Section 7.2, Article 8 (Indemnification), and Article 10 (Miscellaneous) and provisions that by their nature should survive, will survive the termination of this Agreement, and (ii) the termination of this Agreement will not relieve any Party from any liability for any breach of this Agreement occurring prior to termination.

ARTICLE 8 INDEMNIFICATION

8.1 Indemnification in favour of the Purchaser by Principals.

(a) Indemnity of the Principals.

- (i) Each Principal shall jointly and severally, as to such Principal's respective Pro Rata Share thereof, indemnify, defend and save the Purchaser Indemnified Parties harmless of and from any Losses suffered by, imposed upon or asserted against such Purchaser Indemnified Parties as a result of, in respect of, connected with, or arising out of, under, or pursuant to:
 - (A) any failure of the Sellers to perform or fulfill any of its covenants under this Agreement, any Ancillary Agreement;
 - (B) any breach or inaccuracy of the representations and warranties contained in Article 3;
 - (C) any and all Pre-Closing Taxes;
 - (D) any action, suit, Claim, proceeding, grievance, arbitration, investigation, audit or alternative dispute resolution involving a Seller, the Purchased Shares or the Target Corporation at any time on or prior to the Closing Date or in respect of which involvement occurs after the Closing Date arising from facts or circumstances related to a Seller, the Purchased Shares or the Target Corporation that existed at any time on or prior to the Closing Date, other than any action, suit, Claim, grievance or complaint from IBC Technologies Advanced Technologies, Inc. arising from the Sellers' relationship with the Purchaser;
 - (E) any Indebtedness of the Target Corporation;

- (F) the provision of any Target Information; and
 - (G) the matter(s) described in Schedule 8.1(a)(i)(G) of the Seller Disclosure Letter.
- (b) **Limitations of Liability of the Principals.** Notwithstanding anything contained in this Agreement to the contrary the maximum aggregate liability of each Principal hereunder shall not exceed an amount equal to one hundred percent (100%) of such Principal's Pro Rata Share of the Purchase Price.
- (c) **Survival.**
 - (i) All covenants of the Sellers contained in this Agreement or any Ancillary Agreement, document or certificate given pursuant to this Agreement shall survive the Closing Date in accordance with their terms.
 - (ii) The representations and warranties of the Sellers in this Agreement shall survive Closing and continue in full force and effect:
 - (A) in respect of the Sellers' Fundamental Representations, for a period of twelve (12) months following the Closing Date and thereafter shall terminate and be of no further force or effect;
 - (B) in respect of the representations and warranties in Section 3.1(z) (Residence of the Target Corporation, Section 3.1(ff) (Tax Matters) and Section 3.2(i) (Tax Matters), for one hundred and twenty (120) days after which the relevant Governmental Entity will no longer be entitled, taking into account any valid waivers filed or granted in respect of Taxes, to assess or reassess Liability for Taxes in respect thereof, provided, for greater certainty, that if any of the Sellers, the Target Corporation or any other Person (excluding the Purchaser, its Affiliates and any of their respective officers, directors and employees) has made any representation that is attributable to neglect, carelessness or wilful default or has committed any fraud in filing a Tax Return or in supplying any information under applicable Laws, or has had dealings with any non-resident Person not dealing at arm's length with it within the meaning of the Tax Act, the representations and warranties of the Sellers and the Target Corporation in respect of, or related to, Taxes, will continue in full force and effect without limitation of time to the extent that the assessment or reassessment period can be extended because of such circumstances or as a result of any such waivers filed under applicable Laws;
 - (C) in respect of the representations and warranties in Sections 3.1(h) (Title to Assets) and 3.1(gg) (Intellectual Property), for a period of twenty-four (24) months following the Closing Date and thereafter shall terminate and be of no further force or effect;
 - (D) in respect of all other representations and warranties, for a period of twelve (12) months following the Closing Date and thereafter shall terminate and be of no further force or effect; and

(E) for clarity, nothing in this Agreement shall limit any Claim by the Purchaser against any Seller for fraud or in respect of the Fundamental Representations.

- (d) **Liability Specific to a Principal.** For avoidance of doubt, if any Losses relating to a matter Section 8.1(a) are specific to a Seller, only that Seller shall be liable to the Purchaser Indemnified Party(s) in respect of such Losses. Furthermore, the liability of such Seller shall not be limited to such Seller's Pro Rata Share of such Losses, and such Seller shall be entirely liable for such Losses, subject always to Section 8.1(b).

8.2 Indemnification in favour of Sellers by Purchaser.

- (a) **General Indemnity.** The Purchaser shall indemnify, defend and save each Seller Indemnified Party harmless of and from any Losses suffered by, imposed upon or asserted against such Seller Indemnified Parties as a result of, in respect of, connected with, or arising out of, under, or pursuant to:

- (i) any failure of the Purchaser to perform or fulfill any of its covenants under this Agreement; and
- (ii) any breach or inaccuracy of any representation or warranty given by the Purchaser contained in this Agreement.

(b)



[Redacted – commercially sensitive information]

- (c) **Survival.**

- (i) All covenants of the Purchaser contained in this Agreement or any document or certificate given pursuant to this Agreement shall survive the Closing in accordance with their terms.
- (ii) The representations and warranties of the Purchaser in this Agreement shall survive Closing and continue in full force and effect for a period of twelve (12) months following the Closing Date and thereafter shall terminate and be of no further force or effect.

8.3 Notification.

As soon as reasonably practicable upon obtaining knowledge thereof, the Purchaser Indemnified Party or the Seller Indemnified Party seeking indemnification pursuant to this Agreement (the "**Indemnified Party**") from a Seller or the Purchaser, respectively (the "**Indemnifying Party**") shall notify Sellers' Representative or the Purchaser, respectively, in writing of any cause which the Indemnified Party has determined has given or would reasonably be expected to give rise to indemnification under this Article 8 (an "**Indemnification Claim**"). The failure to promptly notify the Indemnifying Party pursuant to this Section 8.3 shall not relieve the Indemnifying Party of any liability that it may have to any Indemnified Party, except and to the extent that the Indemnifying

Party is actually and materially prejudiced by the Indemnified Party's failure to give such prompt notice, and then only to the extent of such prejudice. Such written notice of such Indemnification Claim shall describe in reasonable detail the facts and circumstances with respect to the subject matter of such Indemnification Claim (to the extent then known) (an "**Indemnification Notice**").

8.4 Direct Claims.

In the event that an Indemnifying Party objects to the indemnification of an Indemnified Party in respect of a Claim that is not a Third Party Claim (a "**Direct Claim**") described in an Indemnification Notice, the Indemnifying Party shall, within thirty (30) days after receipt by the Indemnifying Party of such written notice, deliver to the Indemnified Party a notice to such effect and the Indemnifying Party (represented by the Sellers' Representative if the Indemnifying Party is a Seller and to the Purchaser or directly as applicable) and the Indemnified Party shall, within the thirty (30) day period beginning on the date of receipt by the Indemnified Party of such written notice, attempt in good faith to agree upon the respective rights and obligations of the Indemnified Party and the Indemnifying Party with respect to such Direct Claim. If the Indemnified Party and the Indemnifying Party shall succeed in reaching agreement on their respective rights and obligations with respect to such Direct Claim, the Indemnified Party and the Indemnifying Party shall promptly prepare and sign a memorandum setting forth such agreement. Should the Indemnified Party and the Indemnifying Party be unable to agree as to any particular item or items or amount or amounts within the aforementioned thirty (30) day period, then either the Indemnified Party or the Indemnifying Party may submit such dispute to a court of competent jurisdiction. If an Indemnifying Party does not object in writing to a Direct Claim specified in an Indemnification Notice within thirty (30) days of receipt of such written notice, then such Indemnifying Party shall be deemed to have consented to its indemnifications obligation contemplated therein.

8.5 Limitation Periods.

An obligation of indemnification set out in Section 8.1 and Section 8.2 shall continue after the end of the applicable survival period set out in this Agreement if notice of an Indemnification Notice was made before the end of the applicable survival period.

8.6 Defense of Third Party Claim.

- (a) If any Proceeding shall be instituted or any Claim or demand shall be asserted by a third party against the Indemnified Party (each a "**Third Party Claim**"), then the Indemnifying Party shall have the right, after receipt of the Indemnification Notice from the Indemnified Party and upon giving notice to the Indemnified Party within fifteen (15) days of such receipt, to defend the Third Party Claim at its own cost and expense with counsel of its own selection, provided that:
 - (i) the Indemnifying Party provides the Indemnified Party with irrevocable written notice that the Indemnifying Party will indemnify the Indemnified Party from and against the entirety of Losses the Indemnified Party may suffer resulting from, arising out of, relating to, in the nature of, or caused by the Third Party Claim;
 - (ii) the Indemnifying Party provides the Indemnified Party with evidence reasonably satisfactory to the Indemnified Party that the Indemnifying Party has the financial resources to defend against the Third Party Claim and satisfy its indemnification obligations hereunder;

- (iii) the Third Party Claim involves only money damages and does not seek an injunction or other equitable relief;
 - (iv) settlement of, or an adverse judgment with respect to, the Third Party Claim is not, in the good faith judgment of the Indemnified Party, likely to establish precedential custom or practice adverse to the continuing business interests or the reputation of the Indemnified Party;
 - (v) in the good faith judgment of the Indemnified Party, the Losses arising from the Third Party Claim will not exceed the value of the then remaining Closing Consideration Shares;
 - (vi) the Indemnifying Party conducts the defense of the Third Party Claim actively and diligently; and
 - (vii) the Indemnifying Party shall not, except with the consent of the Indemnified Party, enter into any settlement or consent to the entry of any judgment in respect of a Third Party Claim.
- (b) If the Indemnifying Party fails within fifteen (15) days from receipt of the notice of a Third Party Claim to give notice of its intention to defend the Third Party Claim in accordance with this Section 8.6 or if the Indemnifying Party is not eligible to defend the Third Party Claim pursuant to Section 8.6(a), then the Indemnifying Party shall be deemed to have waived its right to defend the Third Party Claim and the Indemnified Party shall have the right (but not the obligation) to undertake the defence of the Third Party Claim and compromise and settle the Third Party Claim in its sole discretion.
- (c) With respect to a Third Party Claim, each of the Indemnifying Party and the Indemnified Party shall, at the expense of the Indemnifying Party, use its reasonable efforts to make available to the other Party or the other Party's representatives on a timely basis those employees whose assistance, testimony or presence is necessary to assist the Indemnifying Party or the Indemnified Party, as applicable, in evaluating and defending any such Third Party Claims and any available documents, records and other materials relating to such Third Party Claim, and shall otherwise cooperate on a timely basis in the defence of such Claim.
- (d) In the event the Indemnifying Party elects, and is entitled, to assume control of the defense and investigation of such Third Party Claim in accordance with Section 8.6(a), the Indemnified Party may, at its own cost and expense, participate in the investigation, trial and defense of such Third Party Claim.
- (e) If an Indemnified Party is required by applicable Law to make a payment to any Person in connection with a Third Party Claim before the completion of settlement negotiations or related Proceedings, the Indemnified Party may make such payment and the Indemnifying Party shall, forthwith after demand by the Indemnified Party, reimburse the Indemnified Party for any such payment. If the amount of any Losses under such Third Party Claim in respect of which such a payment was made, as finally determined, is less than the amount which was paid by the Indemnifying Party to the Indemnified Party, the Indemnified Party shall, forthwith after receipt of the difference from such third Person, pay such difference to the Indemnifying Party.

8.7 Treatment of Indemnification Payments.

All indemnification payments made under this Agreement shall be treated by the Parties as an adjustment to the Purchase Price, including for Tax purposes, unless otherwise required by Law.

8.8 No Double Recovery.

No Indemnified Party shall be entitled to recover from any Indemnifying Party under this Article 8 or under any other agreement delivered pursuant to this Agreement more than once in respect of the same Losses (notwithstanding that such Losses may result from breaches of multiple provisions of this Agreement and/or the Ancillary Agreements).

8.9 Mitigation.

Nothing in this Agreement in any way restricts or limits the general obligation at Law of an Indemnified Party to mitigate any Losses which it may suffer or incur by reason of the breach of an Indemnifying Party of any representation, warranty, covenant, condition or obligation of the Indemnifying Party under this Agreement. The amount of Losses under this Article 8 will be determined net of (a) any amounts recovered by the Indemnified Party under insurance policies, indemnities, reimbursement arrangements or similar agreements with respect to such Losses (net of collection costs and increased premiums), and (b) any prior or subsequent recovery by the Indemnified Party.

8.10 Other Indemnification Matters.

For the purposes of determining whether there has been any misrepresentation or breach of a representation or warranty, and for purposes of determining the amount of Losses resulting from any misrepresentation or breach of a representation or warranty, all qualifications or exceptions in any representation or warranty relating to or referring to the terms “material”, “materiality”, “in all material respects”, “Material Adverse Change” or any similar term or phrase shall be disregarded, it being the understanding of the Parties that for purposes of determining liability under this Article 8, the representations and warranties contained in this Agreement shall be read as if such terms and phrases were not included in them.

8.11 Net Financial Benefit.

To the extent that any amount claimed by way of indemnification is deemed to be subject to HST/GST, such amount shall be increased by adding an amount that is equal to the applicable rate of HST/GST multiplied by the amount of the claim for indemnification with the result that the Indemnified Party shall be entitled to receive an amount in respect of any claim for indemnification equal to the amount of the claim for indemnification it would have been entitled to receive had HST/GST not been deemed to be included in such amount. If any Indemnified Party is required under applicable Laws to pay Taxes (except as provided in the previous sentence) in respect of an amount received in respect of any claim for indemnification submitted hereunder by way of indemnification as determined hereunder, the Indemnifying Party shall pay such additional amount as is necessary to place the Indemnified Party in the same after tax position as it would have been if no Taxes (except as provided in the previous sentence) had been payable by the Indemnified Party on the amount received by the Indemnified Party in respect of any such claim.

8.12 Exclusive Remedies.

The Parties acknowledge and agree that their sole and exclusive remedy with respect to any and all Claims (other than Claims arising from fraud on the part of a Party hereto in connection with the transactions contemplated by this Agreement) for any breach of any representation, warranty,

covenant, agreement or obligation specified herein or otherwise relating to the subject matter of this Agreement, shall be pursuant to the indemnification provisions specified in this Article 8. In furtherance of the foregoing, each Party hereby waives, to the fullest extent permitted under Law, any and all rights, Claims and causes of action for any breach of any representation, warranty, covenant, agreement or obligation specified herein or otherwise relating to the subject matter of this Agreement it may have against the other Parties hereto and their Affiliates and each of their respective representatives arising under or based upon any Law, except under the indemnification provisions specified in this Article 8. Nothing in this Section 8.12 shall limit any Person's right to seek and obtain any equitable relief to which any Person shall be entitled under applicable Law or to seek any remedy on account of fraud by any Party hereto.

ARTICLE 9

CLOSING AND POST-CLOSING COVENANTS & AGREEMENTS

9.1 Loan to the Target Corporation.

Within five (5) Business Days of the Closing Date, the Purchaser shall provide a loan to the newly-acquired Target Corporation in the amount of \$500,000, by way of a non-interest bearing promissory note payable on demand (the "**Note**"), such Note to be used by the Target Corporation to further develop the REE Technology and to commence development of the CDP.

The principal mechanics of this post-Closing loan to the Target Corporation and the senior are described in the form of an organizational structure chart attached hereto as Exhibit C.

9.2 Hexagon-IMC Joint Venture.

The Parties hereby acknowledge that the Target Corporation and Hexagon Energy Materials Limited (formerly Hexagon Resources Limited) ("**Hexagon**") are parties to an investment agreement dated October 9, 2019, as amended from time to time (the "**Investment Agreement**"), pursuant to which Hexagon has an option to subscribe for forty-nine percent (49%) of the legal and beneficial interest in, and form, an incorporated joint venture with the Target Corporation (the "**Hexagon-IMC Joint Venture**") to be called "American Innovation Metals Inc." (or such other name as agreed by Hexagon and the Target Corporation) ("**AIM**") for the commercial development of the REE Technology on the terms and conditions of the Investment Agreement (the "**Hexagon Option**"). It is anticipated that, pursuant to the terms of the Investment Agreement, the Target Corporation will license the Intellectual Property Rights and all other intellectual property relating to the REE Technology and provide expertise for REE separation to AIM while Hexagon will contribute commercial and marketing skills and invest cash into the construction of the CDP. A description of the Hexagon-IMC Joint Venture (on a post-Closing basis) is attached hereto as Exhibit D.

Assuming that Hexagon will elect to exercise the Hexagon Option and the Hexagon-IMC Joint Venture will be formed in accordance with the terms of the Investment Agreement, the Target Corporation will continue to fulfill the obligations of the Target Corporation that are set out in the Investment Agreement, following completion of the transactions contemplated by this Agreement.

9.3 Access to Books and Records.

Subject to Section 9.4(b), for a period of six (6) months from the Closing Date, the Purchaser shall use commercially reasonable efforts to retain all original Books and Records relating to the Target Corporation that are part of the Books and Records existing on the Closing Date that relate to the later of the three (3) year period prior to the Closing Date or from the date of incorporation of the Target Corporation, and upon the reasonable request of the Sellers, including for reasons of an

applicable limitations period not having expired, the Purchaser shall retain original or legible copies of all Books and Records which exist as of the Closing Date. So long as any such Books and Records are retained by the Purchaser pursuant to this Agreement, the Sellers shall have, subject to executing a non-disclosure agreement in respect of such Books and Records, the reasonable right to inspect and to make copies (at the Sellers' own expense) of them at any time upon reasonable request during normal business hours and upon reasonable written notice for any proper purpose and without undue interference to the business operations of the Target Corporation. The Purchaser shall have the right to have its representatives present during any such inspection.

9.4 Tax Matters.

- (a) The Purchaser shall prepare, or cause to be prepared, all Tax Returns required to be filed by the Target Corporation with a due date after the Closing Date. Each such Tax Return, to the extent that it reflects any Taxes for which the Sellers may be liable pursuant to Article 8, shall be prepared on a basis consistent with past practices and existing procedures, unless such procedure or practice is not permitted under applicable Law. The Sellers' Representative shall be given the opportunity to review, comment upon and suggest changes or corrections to any such Tax Returns that reflect any Taxes for which the Sellers may be liable pursuant to Article 8 (it being understood that the Purchaser shall consider in good faith all reasonable changes or corrections to any such Tax Returns) prior to the filing thereof (but in no event less than thirty (30) days, or, in the case of HST/GST Tax Returns, ten (10) days, prior to such filing) provided, however, the failure or delay in meeting such thirty (30) or ten (10) day period shall not reduce or otherwise affect the Liabilities of the Sellers pursuant to Article 8. The Purchaser shall cause the Target Corporation to timely file each such Tax Return in the form prepared by the Purchaser having regard to the Sellers' Representative's reasonable comments.
- (b) The Sellers and the Purchaser will cooperate fully and assist each other and make available to each other in a timely fashion all data and other information as may reasonably be required for the preparation and filing of all Tax Returns of the Target Corporation or to respond to or defend any Tax Contest and will preserve that data and other information until the expiration of any applicable limitation period for maintaining books and records under any applicable Tax Law with respect to such Tax Returns.
- (c) The Purchaser shall control any audit or other Proceeding in respect of any Tax Return or Taxes of the Target Corporation (a "**Tax Contest**"); provided, however, that (i) the Sellers' Representative, at the Sellers' sole cost and expense, shall have the right to participate in any such Tax Contest to the extent it relates to Taxes for which the Sellers may be liable pursuant to Article 8, and (ii) the Purchaser shall not allow the Target Corporation to settle or otherwise resolve any Tax Contest if such settlement or other resolution relates to Taxes for which the Sellers may be liable pursuant to Article 8 without the prior written consent of the Sellers' Representative (which will not be unreasonably withheld, delayed or conditioned).
- (d) The Purchaser will provide notice to the Sellers' Representative of any inquiries made by any Governmental Entity (including any proposed or actual audit, investigation, examination, assessments or reassessments) to the extent that the subject matter thereof would reasonably be expected to give rise to a right of indemnification under this Agreement (a "**Tax Claim**"). The failure of the Purchaser

to provide any such notice shall not release the Sellers from any of their obligations under this Agreement except to the extent the Sellers are actually prejudiced by such failure.

- (e) If any Governmental Entity, pursuant to applicable Law, is entitled to take collection action in respect of a Tax Claim, notwithstanding the defense relating thereto, the Sellers' Representative shall pay or cause to be paid such amount that is subject to such collection action to the relevant Governmental Entity within the time required by applicable Law.
- (f) To the extent that there is any inconsistency between this Section 9.4, on the one hand, and Sections 8.4 and 8.6, on the other, as it relates to any Tax Contests, the provisions of this Section 9.4 shall govern.

9.5 Section 85 Elections.

Purchaser hereby agrees that it will jointly elect with each Seller, upon request by a Seller, under subsection 85(1) of the Tax Act (and any corresponding provincial provision), within the time and in the manner prescribed therefore by the Tax Act (and any corresponding provincial provision) in respect of the transfer of the Purchased Shares by a Seller pursuant to this Agreement. In the event a Seller wishes to make such an election, such Seller will be solely responsible for the preparation and filing of the election form(s) and Purchaser agrees to provide such Seller all necessary information to complete the election form(s) on a timely basis. Such Seller will provide the Purchaser with a properly completed election form(s) for execution within one hundred and twenty (120) days after the Closing Date, and the Purchaser shall, within thirty (30) days after receiving the completed election form(s), sign and return the election form(s) to such Seller for filing with the Canada Revenue Agency. Such Seller shall be responsible for filing such form in accordance with subsection 85(6) of the Tax Act. Such Seller shall be entitled to determine the "elected amount" within the limits set out by the Tax Act. Such Seller shall be solely responsible for the correct completion and proper filing of such election form, and Purchaser shall have no any responsibility or liability associated with the preparation and filing of such election. Such Seller covenants and agrees to provide a copy of the filed election form(s) to the Purchaser within ten (10) ten Business Days of filing same.

9.6 Further Assurances.

From time to time after the Closing Date, each Party shall, at the request of any other Party, execute and deliver such additional conveyances, transfers and other assurances as may be reasonably required to effectively transfer the Purchased Shares to the Purchaser or as directed by the Purchaser and the Closing Consideration Shares to the Sellers, as applicable, and to carry out the intent of this Agreement and any Ancillary Agreement.

9.7 Further Covenant of the Purchaser.

In the event that the Closing of the transaction of purchase and sale contemplated in this Agreement does not occur, then the Purchaser covenants that it will not, for an indefinite period of time, utilize for its own purposes in any manner whatsoever or disclose to any third party any confidential scientific or technical information that the Purchaser learns regarding the REE Technology and the Target IP during the Purchaser's pursuit of the Closing. This Section 9.7 will survive the termination or expiration of this Agreement.

**ARTICLE 10
MISCELLANEOUS**

10.1 Notices.

Any notice, direction or other communication given regarding the matters contemplated by this Agreement (each a “**Notice**”) must be in writing, sent by personal delivery, courier or electronic mail (read receipt requested) and addressed:

- (a) to the Purchaser at:

Ucore Rare Metals Inc.
210 Waterfront Drive, Suite 106
Bedford, Nova Scotia
B4A 0H3

Attention: Pat Ryan
Email: pat@ucore.com

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

Miller Thomson LLP
Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto, Ontario
M5H 3S1

Attention: Geoff Clarke
Email: gclarke@millerthomson.com

- (b) to the Sellers, collectively, at:

Innovation Metals Corp.
Suite 1801 – 1 Yonge Street
Toronto, Ontario
M5E 1W7

Attention: Dr. Gareth P. Hatch
Email: ghatch@innovationmetals.com

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

Clark Wilson LLP
900-885 West Georgia Street
Vancouver, British Columbia
V6C 3H1

Attention: Max Portner
Email: mportner@cwilson.com

A Notice is deemed to be given and received if sent by personal delivery, courier or electronic mail, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day. A Party may change its

address for service from time to time by providing a Notice in accordance with the foregoing. Any subsequent Notice must be sent to the Party at its changed address. Any element of a Party's address that is not specifically changed in a Notice will be assumed not to be changed. The failure to send a copy of a Notice to legal counsel does not invalidate delivery of that Notice to a Party.

10.2 Time of the Essence.

Time is of the essence in this Agreement.

10.3 Announcements.

No press release, public statement or announcement or other public disclosure with respect to this Agreement or the transactions contemplated in this Agreement may be made by any Party prior to Closing except with the prior written consent and joint approval of the Sellers and the Purchaser, or if required by Law or a Governmental Entity. Where such disclosure is required by Law or a Governmental Entity, the Party required to make such disclosure will use its commercially reasonable efforts to obtain the approval of the other Party as to the form, nature and extent of the disclosure. For certainty, the foregoing shall not prevent a Party from making internal announcements to employees and other stakeholders so long as such statements and announcements are consistent with the most recent public disclosures or public statements made by the Party. After the Closing, any disclosure by the Sellers may be made only with the prior written consent and approval of the Purchaser unless such disclosure is required by Law or a Governmental Entity, in which case such Seller shall use commercially reasonable efforts to obtain the approval of the Purchaser as to the form, nature and extent of the disclosure.

10.4 Third Party Beneficiaries.

- (a) Except as otherwise provided in this Agreement:
 - (i) the Parties intend that this Agreement will not benefit or create any right or cause of action in favour of any Person, other than the Parties; and
 - (ii) no Person, other than the Parties, is entitled to rely on the provisions of this Agreement in any action, suit, proceeding, hearing or other forum.
- (b) The Sellers acknowledge to each Indemnified Party in respect of the Purchaser his/ her or its direct rights against the Seller under Section 8.4 of this Agreement and the Purchaser acknowledges to each Indemnified Party in respect of the Seller his/ her or its direct rights against the Purchaser under Section 8.4 of this Agreement. To the extent required by applicable Law to give full effect to these direct rights, the Parties agree and acknowledge that the Sellers, on the one hand and the Purchaser, on the other hand, are acting as agent and trustee of their respective Indemnified Parties. Each Party may enforce an indemnity in favour of any of that Party's Indemnified Parties on behalf of each such Indemnified Party. The Parties reserve their right to vary or rescind the rights at any time and in any way whatsoever, if any, granted by or under this Agreement to any Person who is not a Party, without notice to or consent of that Person, including any Indemnified Party.

10.5 Expenses.

Except as otherwise expressly provided in this Agreement, each Party will pay for its own costs and expenses (including the fees and expenses of legal counsel, accountants and other advisors) incurred in connection with this Agreement or any Ancillary Agreements and the transactions

contemplated hereby and thereby. For certainty and regardless of whether Closing occurs, each Party will pay its own costs and expenses in respect of such Party's legal and financial advisors, including any brokerage or agent's fees and the Sellers shall remain responsible for financial advisory fees of the Target Corporation.

10.6 Set-Off.

Notwithstanding anything to the contrary in this Agreement, but subject to the provisions of Section 8.1, and without prejudice to any other right or remedy it has or may have, the Purchaser may set off or recoup any liability it owes to the Sellers against any liability for which the Purchaser determines the Sellers is liable to the Purchaser. Any payment or liability the Purchaser owes to the Sellers hereunder or pursuant to any Ancillary Agreement or any transaction contemplated hereby and thereby may be satisfied, at the sole discretion of the Purchaser, in cash or in common shares of the capital of the Purchaser.

10.7 Injunctive Relief.

The Parties agree that irreparable harm would occur for which money damages would not be an adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to apply for specific performance, injunctive and other equitable relief to prevent breaches of this Agreement, and to enforce compliance with the terms of this Agreement without any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief, this being in addition to any other remedy to which the Parties may be entitled at law or in equity.

10.8 Amendments.

This Agreement may only be amended, supplemented or otherwise modified by written agreement signed by the Parties.

10.9 Waiver.

No waiver of any of the provisions of this Agreement, any Ancillary Agreement or any transaction contemplated hereby and thereby will constitute a waiver of any other provision (whether or not similar). No waiver will be binding unless executed in writing by the Party to be bound by the waiver. A Party's acceptance of any certificate delivered on Closing or failure or delay in exercising any right under this Agreement will not operate as a waiver of that. A single or partial exercise of any right will not preclude a Party from any other or further exercise of that right or the exercise of any other right.

10.10 Purchaser's Investigation.

The Purchaser acknowledges and agrees that the Purchaser and its advisors: (i) have been furnished with or have been given access to materials relating to the Business, finances and operations of the Target Corporation; and (ii) has been afforded the opportunity to ask questions of the Sellers and the management and advisors of the Target Corporation.

10.11 Seller Disclosure Letter.

Any fact or item disclosed in any part or section of the Seller Disclosure Letter for the purposes of qualifying a representation or warranty in Article 3 will be deemed to have been disclosed in all other parts and sections of the Seller Disclosure Letter for which it is reasonably apparent on the

face of such disclosure that such disclosure has applicability to such other part or section notwithstanding the omission of a cross- reference to such other part or section.

10.12 Power of Attorney.

Each of the Sellers hereby irrevocably appoints each of Dr. Gareth P. Hatch and Dr. John Veltheer, acting jointly or severally, as such Seller's attorney-in-fact ("**Attorney-in-Fact**") authorizing said Attorney-in-Fact to prepare, sign, execute and deliver, on the Seller's behalf, any share certificate, share transfer form, document, agreement, consent, instrument, or Intellectual Property assignment to the Target Corporation which, in the Attorney-in-Fact's sole discretion, is necessary, convenient or appropriate to consummate, complete, perfect or register, under applicable law, the Closing of the transaction of purchase and sale contemplated in this Agreement. This irrevocable power of attorney, as set out in this Section 10.12, shall expire on July 31, 2020.

10.13 Entire Agreement.

This Agreement together with the Ancillary Agreements: (i) constitutes the entire agreement among the Parties; (ii) supersedes all prior agreements or discussions of the Parties; and (iii) sets forth the complete and exclusive agreement among the Parties, in all cases, with respect to the subject matter herein.

10.14 Successors and Assigns.

- (a) Upon execution of this Agreement by the Parties, it will be binding upon and enure to the benefit of each Seller, the Purchaser and their respective heirs, administrators, executors, legal representatives, successors and permitted assigns.
- (b) Except as provided in this Section 10.14, neither this Agreement nor any of the rights or obligations under this Agreement may be assigned or transferred, in whole or in part, by a Party without the prior written consent of the other Party.
- (c) Either Party may assign this Agreement or any of its rights and/or obligations under this Agreement to any of its affiliates, provided that such affiliate and the assigning Party shall be jointly and severally liable with respect to all of the obligations of the assigning Party, respectively, including the representations, warranties, covenants, indemnities and agreements of the assigning Party.
- (d) If this Agreement is assigned as permitted by this Section 10.14, the non-assigning Party or Parties shall acknowledge and consent to such assignment in writing.

10.15 Severability.

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof. To the extent permitted by applicable Law, the Parties waive any provision of Law which renders any provision of this Agreement invalid or unenforceable in any respect. The Parties shall engage in good faith negotiations to replace any provision which is declared invalid or unenforceable with a valid and enforceable provision, the economic effect of which comes as close as possible to that of the invalid or unenforceable provision which it replaces.

10.16 Arbitration.

If any dispute or controversy occurs between the Parties relating to the interpretation or implementation of any of the provisions of this Agreement, the dispute will be resolved by arbitration at ADR Chambers pursuant to the general ADR Chambers Rules for Arbitration. Any Party may serve notice of its desire to refer a dispute to arbitration. The arbitration shall be conducted by a single arbitrator. The arbitration shall be held within the Greater Toronto Area. The arbitration shall proceed in accordance with the provisions of the applicable arbitration legislation and common law of the Province of Ontario, as determined by the arbitrator. The decision arrived at by the arbitrator shall be final and binding and no appeal shall lie therefrom. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction. The costs of the arbitrator shall be divided equally between the Parties.

10.17 Governing Law.

- (a) This Agreement is governed by and will be interpreted and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- (b) Each Party irrevocably attorns and submits to the exclusive jurisdiction of the Ontario courts situated in the City of Toronto (and appellate courts therefrom) and hereby irrevocably and unconditionally agrees that service of any process, summons, notice or document by delivery in the manner specified in Section 10.1 shall be effective service of process for any action, suit or proceeding brought against any Party in such court. The Parties hereby irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the matters contemplated hereby in the courts of the Province of Ontario and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding so brought has been brought in an inconvenient forum.
- (c) Each Party to this Agreement hereby waives any right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Agreement or the transactions contemplated hereby or the actions of the Parties in the negotiation, administration, performance and enforcement of this Agreement.

10.18 Counterparts.

This Agreement may be executed (including by electronic means) in any number of counterparts, each of which (including any electronic transmission of an executed signature page), is deemed to be an original, and such counterparts together constitute one and the same Agreement.

[Signature page follows]

IN WITNESS WHEREOF the Parties have executed this Share Purchase Agreement as at the date first written above.

PURCHASER:

) **UCORE RARE METALS INC.**
)
)
)
)

) By: "Pat Ryan"
)
)

Name: Pat Ryan

Title: Chairman

I have the authority to bind the corporation

TARGET CORPORATION:

) **INNOVATION METALS CORP.**
)
)
)
)

) By: "Gareth P. Hatch"
)
)

Name: Dr. Gareth P. Hatch

Title: Chairman & CEO

I have the authority to bind the corporation

[Signature page of the Sellers on the following page.]

SELLERS:

[Signatures of the Sellers have been redacted because it is personal information.]

EXHIBIT A
LIST OF CURRENT SHAREHOLDERS OF THE TARGET CORPORATION

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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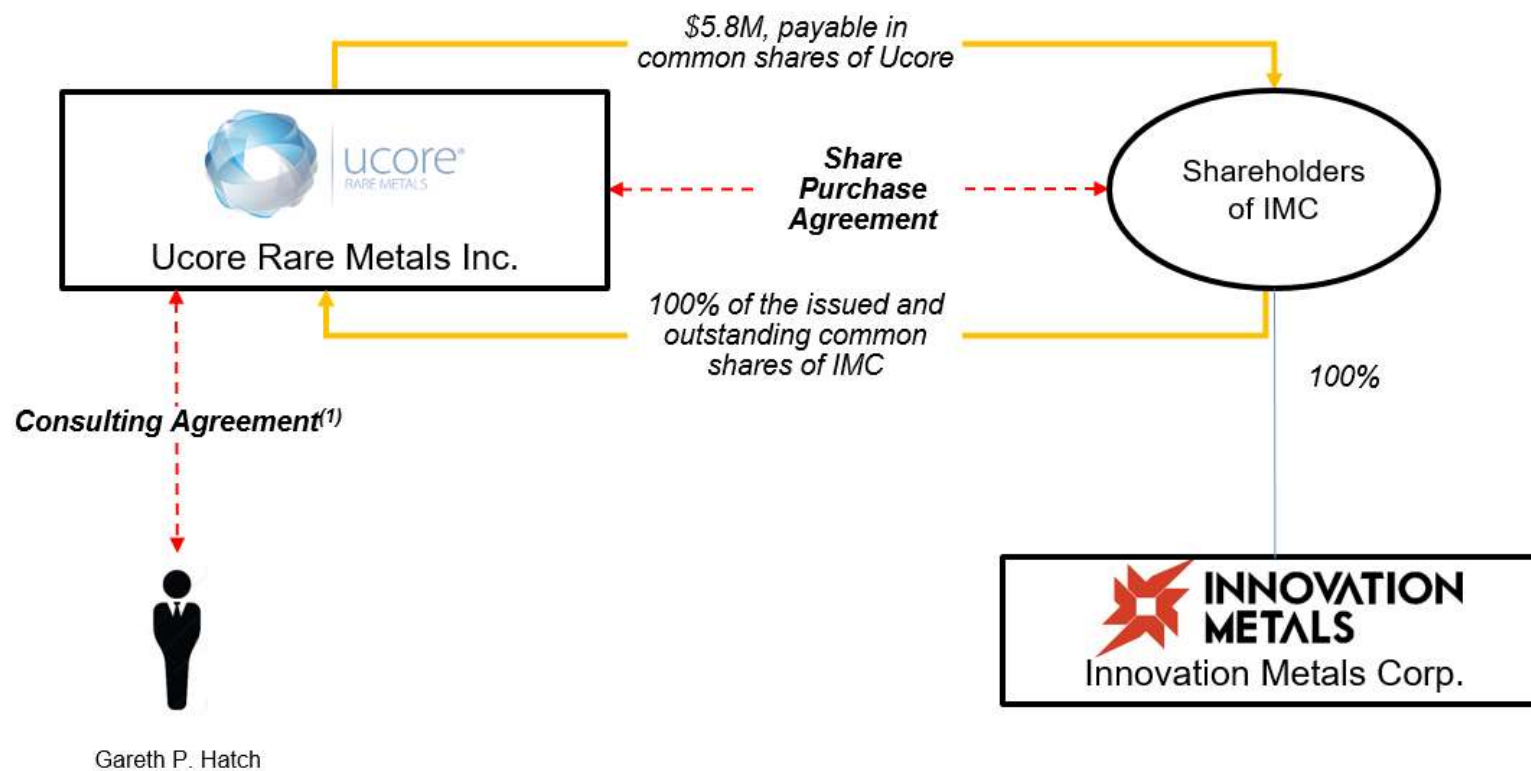
[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [Redacted – personal information]

**EXHIBIT B
MECHANICS OF CLOSING**



Legend:

Equity ———→
Agreement - - - ->

Please refer to the next page for descriptions of the entities set forth in this corporate organizational chart.

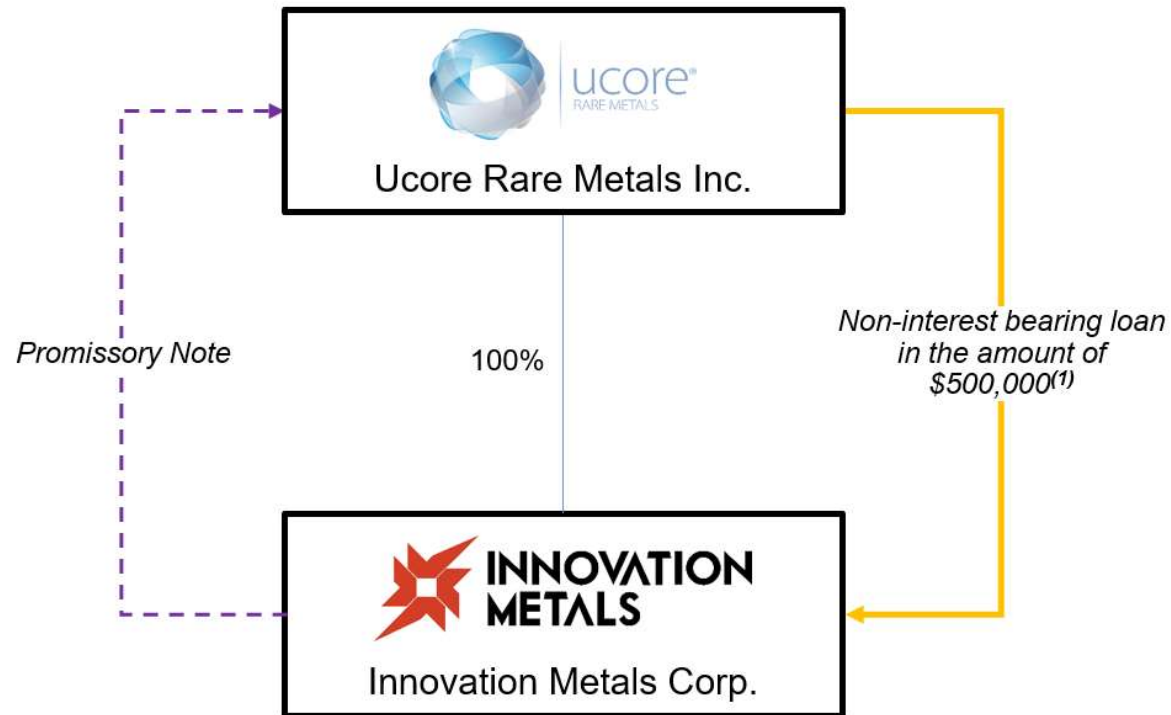
Description of Entities Referred to in Previous Corporate Organizational Chart

- Ucore Rare Metals Inc. ("**Ucore**") is a public Canada-based company focused on rare and critical metals resources, extraction and beneficiation technologies with near term potential for production, growth and scalability. The common shares of Ucore are listed on the TSX Venture Exchange under the symbol "UCU" and are quoted on the OTCQX under the symbol "UURAF".
- Innovation Metals Corp. ("**IMC**") is a private Canada-based company, which is focused on the further business development and commercialization of the proprietary RapidSX™ technology/process.

Note:

- (1) Upon Ucore's acquisition of all of the issued and outstanding common shares of IMC, Ucore shall enter into a consulting agreement with Dr. Gareth P. Hatch.

EXHIBIT C
MECHANICS OF POST-CLOSING LOAN



Legend:

Cash →
Promissory Note - - - - ->

Please refer to the next page for descriptions of the entities set forth in this corporate organizational chart.

Description of Entities Referred to in Previous Corporate Organizational Chart

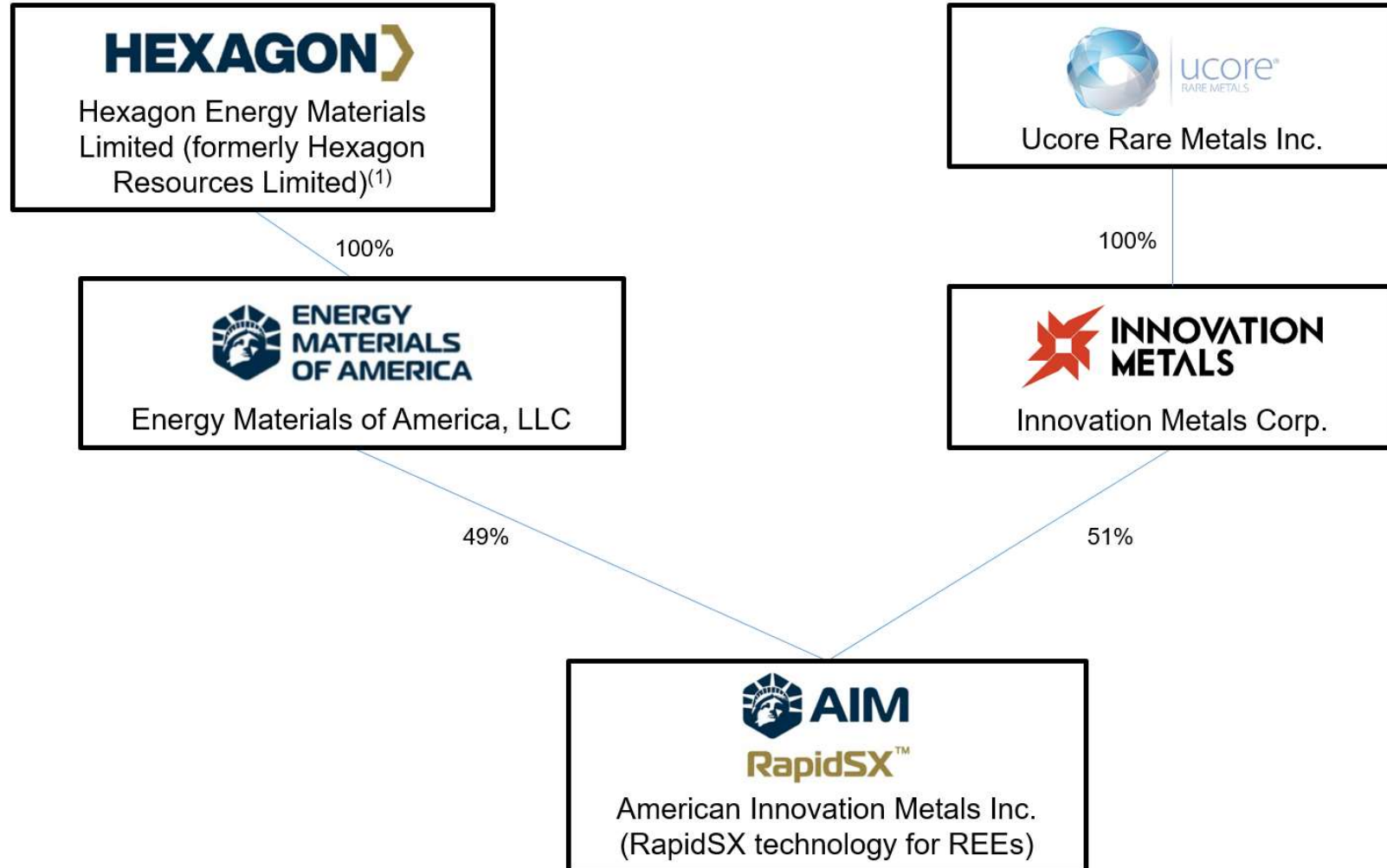
- Ucore Rare Metals Inc. (“Ucore”) is a public Canada-based company focused on rare and critical metals resources, extraction and beneficiation technologies with near term potential for production, growth and scalability. The common shares of Ucore are listed on the TSX Venture Exchange under the symbol “UCU” and are quoted on the OTCQX under the symbol “UURAF”.
- Innovation Metals Corp. (“IMC”) is a private Canada-based company, which is wholly-owned by Ucore and is focused on the further business development and commercialization of the proprietary RapidSX™ technology/process.

Note:

- (1) Within five (5) business days of the closing of Ucore’s acquisition of IMC, Ucore shall provide a loan to IMC in the amount of \$500,000, by way of a non-interest bearing promissory note payable on demand, such promissory note to be used by IMC to further develop its RapidSX™ processing technology for the separation of REEs and to commence development of the RapidSX™ Commercial Demonstration Plant. Cash transfers pursuant to the note shall be provided to IMC in tranches and in amounts that are consistent with the budget that has been provided to Ucore by IMC.

EXHIBIT D
ORGANIZATIONAL STRUCTURE OF HEXAGON-IMC JOINT VENTURE

The below depicts a simplified corporate organizational chart for Hexagon with respect to the formation and implementation of the Hexagon-IMC Joint Venture, which is expected to occur after the Purchaser's acquisition of the Purchased Shares:



Please refer to the next page for descriptions of the entities set forth in this corporate organizational chart.

Description of Entities Referred to in Previous Corporate Organizational Chart

- Hexagon Energy Materials Limited (formerly Hexagon Resources Limited) (“**Hexagon**”) is an Australian Securities Exchange-listed energy materials development company, with natural flake graphite assets in Australia and the United States. Hexagon holds a 100% interest in the McIntosh Graphite Project in Western Australia and also has an 80% interest in the Ceylon Graphite Project in Alabama, USA. Hexagon has recently pivoted its graphite-development strategy from upstream mine development to now focusing solely on the downstream processing of graphite and other energy materials in the United States.
- Innovation Metals Corp. (“**IMC**”) is a private Canada-based company, which is wholly-owned by Ucore and is focused on the further business development and commercialization of the proprietary RapidSX™ technology/process.
- Energy Materials of America, LLC is a wholly-owned United States-based subsidiary of Hexagon.
- American Innovation Metals Inc. (“**AIM**”) is a new prospective joint venture company between Hexagon and IMC, which is focused on the commercialization of the REE Technology.

Note:

- (1) Pursuant to the investment agreement with IMC dated October 9, 2019, Hexagon has an option to acquire 49% of AIM for an exercise price of US\$2.0 million, plus US\$4.0 million in deferred consideration. Hexagon will also contribute commercial and marketing capabilities to identify and secure feedstocks, and generate licensing opportunities for the REE Technology and sales/offtakes for rare earth element oxides produced.

SCHEDULE 1.1(SSSS)
LIST OF REES

List of REEs:

The rare-earth elements (REEs) consist of the 15 lanthanoid elements, in addition to scandium (Sc) and yttrium (Y). REEs refers to one or more of the following chemical elements of the Periodic Table:

- Lanthanum (La)
- Cerium (Ce)
- Praseodymium (Pr)
- Neodymium (Nd)
- Promethium (Pm)
- Samarium (Sm)
- Europium (Eu)
- Gadolinium (Gd)
- Terbium (Tb)
- Dysprosium (Dy)
- Holmium (Ho)
- Erbium (Er)
- Thulium (Tm)
- Ytterbium (Yb)
- Lutetium (Lu)
- Scandium (Sc)
- Yttrium (Y)

REEs may additionally refer to chemical concentrates and solutions containing one or more of the chemical elements above.

SCHEDULE 4.1(G) PURCHASER LITIGATION

As disclosed in the Purchaser's management's discussion and analysis for the period ended September 30, 2019, as of November 29, 2019, there are five separate ongoing civil litigation matters between IBC Advanced Technologies, Inc. ("**IBC**") (some which include Steven R. Izatt) and the Purchaser (and/or several of its executives). These matters are:

- (a) A matter initiated in December 2018 pursuant to an application (now an action) by the Purchaser in Halifax, Nova Scotia, Canada. The Purchaser's lead legal counsel for this matter is Cox & Palmer in Halifax, Nova Scotia.
- (b) A matter initiated in January 2019 pursuant to a complaint by IBC in Salt Lake City, Utah, USA. Purchaser's lead legal counsel for this matter is Dorsey & Whitney LLP in Salt Lake City, Utah.
- (c) A matter initiated in February 2019 pursuant to a complaint by IBC in Salt Lake City, Utah, USA. Purchaser's lead legal counsel for this matter is Dorsey & Whitney LLP in Salt Lake City, Utah.
- (d) A matter initiated in August 2019 pursuant to an action by the Purchaser in Halifax, Nova Scotia, Canada. Purchaser's lead legal counsel for this matter is Cox & Palmer in Halifax, Nova Scotia.
- (e) A matter initiated in October 2019 pursuant to a complaint by IBC in Salt Lake City, Utah, USA. Purchaser's lead legal counsel for this matter is Dorsey & Whitney LLP in Salt Lake City, Utah.

Further information regarding the foregoing is available in the Purchaser's news release dated March 31, 2020. In addition, there is another pending case in Utah, which is:

- (f) Talbot, et al. v. Ucore, 2:20-cv-00008- HCN-EJF (D. Utah 2020) (Nielson, H.).

This case involves the shareholders of IBC who are seeking, among other things, to have the Court declare that the Purchaser's option to purchase IBC declared void and unenforceable. This complaint was filed with the Court in Utah in early 2020; however, it has not yet been served on the Purchaser by the plaintiffs.

SCHEDULE 8.1(A)(I)(G)
OTHER SELLER INDEMNIFIED MATTERS

Not applicable.

SELLER DISCLOSURE LETTER

These disclosure schedules (the “**Seller Disclosure Letter**”) constitute the disclosure schedules referred to in the share purchase agreement dated April 25, 2020 and the schedules thereto (as it may from time to time be amended, the “**Agreement**”) among Innovation Metals Corp. (the “**Target Corporation**”), Ucore Rare Metals Inc. (the “**Purchaser**”) and the persons named on Exhibit A to the Agreement (the “**Sellers**”). Except to the extent that the context otherwise requires, all capitalized terms not defined herein shall have the meaning ascribed to them in the Agreement. References to Sections, Subsections or Paragraphs in this Sellers Disclosure Letter are references to the relevant Sections, Subsections or Paragraphs of the Agreement unless otherwise required by the context of this Seller Disclosure Letter.

The Seller Disclosure Letter forms an integral part of the Agreement.

If a document or matter is listed in one particular schedule of the Seller Disclosure Letter and the disclosure with respect to such document or matter is responsive to the disclosure required in any other schedule, such listing shall suffice, without specific repetition and with or without cross reference, as a response disclosing the existence of such document or matter to any other schedule.

References to documents in this Sellers Disclosure Letter are summaries only and are not intended to be full descriptions of such documents. Such summaries are qualified in their entirety by the terms of such agreement, document, instrument, plan, arrangement or item.

This Sellers Disclosure Letter may not be amended, supplemented or otherwise modified except by written agreement signed by the parties. These Sellers Disclosure Letter shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Schedule 3.1(b)
Extra-Provincial Registrations

None.

Schedule 3.1(d)
Authorized and Issued Capital

Shareholder	Issued & Outstanding (I&O) Shares ⁽¹⁾	I&O Shares (%)
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
TOTAL	27,090,701	100%

Note:

(1) The foregoing table reflects the authorized and issued capital of the Target Corporation following the Target Corporation entering into shares for debt transactions with a number of the above-listed shareholders prior to Closing.

[Redacted – personal information]

Schedule 3.1(e)
Subsidiaries

American Innovation Metals, LLC	
Date of Incorporation	February 24, 2020
Jurisdiction of Incorporation	Delaware
Managers	Gareth Hatch and Patrick Wong
Misc.	LLC Membership Certificates have not yet been issued

IMC REE Holdings Corp.	
Date of Incorporation	February 24, 2020
Jurisdiction of Incorporation	Delaware
Directors	Gareth Hatch and Patrick Wong
Officers	President: Patrick Wong Treasurer: Gareth Hatch Secretary: Gareth Hatch
Misc.	Stock certificates have not yet been issued

Schedule 3.1(f)
No Other Agreements to Purchase or Rights to Vote

Stock Option Plan

IMC adopted a Stock Option Plan on July 26, 2012. Stock options were issued to a number of individuals in accordance with the Stock Option Plan. The majority of the options that were issued either:

- a) expired at the end of their term;
- b) expired by virtue of not being exercised within the requisite notice period following termination; or
- c) were cancelled via stock option cancellation agreements.

Please note that IMC entered into stock option agreements with two individuals subject to the expectation that the individuals would provide consulting services to IMC. Formal agreements were not subsequently executed between IMC and the two individuals, nor were consulting services actually provided. On that basis, the stock options expired without being explicitly terminated or reaching the end of their respective terms.

Accordingly, no stock options are currently issued and outstanding. No warrants are issued and outstanding.

Schedule 3.1(h)
Title to Assets

[Redacted – commercially sensitive information]

Schedule 3.1(i)
No Conflict

None.

Schedule 3.1(j)
Ordinary Course of Business

[Redacted – commercially sensitive information, personal information and information subject to existing confidentiality agreements]

Schedule 3.1(m)
Target Corporation Litigation

[Redacted – This schedule describes a civil claim where IMC was the plaintiff. On April 7, 2020, the matter was settled and is subject to a confidentiality agreement.]

Schedule 3.1(p)
Material Contracts

[Redacted – commercially sensitive information, all of which are subject to confidentiality or non-disclosure agreements]

Schedule 3.1(q)(i)
Major Suppliers

[Redacted – commercially sensitive information, all of which are subject to confidentiality or non-disclosure agreements]

Schedule 3.1(r)
Certain Transactions

No.	Transaction
1.	Stock Option Cancellation Agreement between IMC and [REDACTED]
2.	Stock Option Cancellation Agreement between IMC and [REDACTED]
3.	Shares for Debt Agreement between IMC and [REDACTED]
4.	Shares for Debt Agreement between IMC and [REDACTED]
5.	Shares for Debt Agreement between IMC and [REDACTED]
6.	Shares for Debt Agreement between IMC and [REDACTED]
7.	Consulting Agreement between IMC, [REDACTED] [REDACTED]

[Redacted – commercially sensitive and personal information]

Schedule 3.1(dd)(ii)
Employees

There are currently two Employees¹:

1. Gareth Hatch (services provided through Strategic Materials Advisors Ltd.)²	
Title	Chief Executive Officer (previously President)
Date of Birth	██████ 1972
Start Date	March 2011
Location	Cheshire, UK
Remuneration	Annual remuneration of £██████

2. Patrick Wong (services provided through 3981207 Canada Inc.)²	
Title	President and Chief Operation Officer (Previously Chief Executive Officer)
Date of Birth	██████ 1970
Start Date	March 2011
Location	Mississauga, Ontario
Remuneration	Annual remuneration of C\$██████

(1) The Employees do not have formal employment contracts with IMC.

(2) The Employees provide services to IMC on an ad hoc basis through companies respectively controlled by the Employees.

[Redacted – personal information]

Schedule 3.1(ee)
Insurance Policies

Canadian Private Company Management Liability Solution Policy¹	
Insurance Provider	Great American Insurance Group
Type of Policy:	Directors & Officers
Policy Number:	CDO5256127
Policy Period:	March 1, 2020 to March 1, 2021

(1) The premium was increased by \$570 on March 1, 2020 as a result of (i) market conditions; and (ii) in relation to the joint venture between IMC and Hexagon Energy Materials.

Schedule 3.1(gg)(ii)
Intellectual Property Rights

[Redacted – commercially sensitive information.]

Schedule 3.1(gg)(iii)
Target Owned IP

[Redacted – commercially sensitive information.]

Schedule 3.1(gg)(v)
Rights in Target Owned-IP

[Redacted – commercially sensitive information. Prior to Closing, the only employees, officers, directors, shareholders of the Target Corporation that do and have held rights or ownership in the Target Owned IP are Gareth Hatch and Patrick Wong. No one else does or has held rights or ownership in the Target Owned IP. At Closing, Gareth Hatch and Patrick Wong have executed an IP Assignment in the form at Schedule 3.1(gg)(vi), whereby all rights in the Target Owned IP are assigned to the Target Corporation.]

Schedule 3.1(gg)(vi)
IP Assignment

INTELLECTUAL PROPERTY ASSIGNMENT

In accordance with this Intellectual Property Assignment (the "**Agreement**") as between the Assignor and Assignee;

WHEREAS, **Gareth Hatch** and **Patrick Wong**, individuals having the following postal addresses respectively, [REDACTED], [REDACTED], and [REDACTED], (the "**Assignors**"), are the sole and exclusive creators, developers and owners of the all intellectual property and rights therein relating to the RapidSX™ processing technology for the separation of rare earth elements utilized by Innovation Metals Corp. and any other products and materials of Innovation Metals Corp.'s business, including without limitation lithium, cobalt and environmental remediation, including but not limited to all patent, industrial design, copyright, trademark, domain name, trade secret and other intellectual property and associated rights relating thereto (the "**Intellectual Property**").

AND WHEREAS, **INNOVATION METALS CORP.**, a corporation having the postal address of Suite 1801 – 1 Yonge Street, Toronto, Ontario, M5E 1W7, Canada (the "**Assignee**"), has and does hereby acquire from the Assignor all the rights, title, and interest in and to the Intellectual Property;

NOW THEREFORE, the Assignors confirm that they are the sole and exclusive owners of the Intellectual Property, and now in consideration of good and valuable consideration, in the amount of one dollar (\$1.00), the receipt of all of which is hereby acknowledged, the Assignors, by these presents confirm that the Assignors have assigned and transferred and do hereby assign and transfer unto Assignee, Assignors' full and exclusive present and future rights, and entire rights, title and interest in and to the Intellectual Property in Canada and worldwide, including all applications, registered, unregistered, and common law rights in all of the Intellectual Property, the right to all registrations for such Intellectual Property, and, if so available, the right to claim damages for past infringement upon the Intellectual Property, together with the Assignors' rights to claim the benefit of the right of priority provided by the International Convention for the Protection of Industrial Property based on the Intellectual Property. The Assignors further waive their moral rights in the Intellectual Property in favour of the Assignee.

The Assignors agree that they will do all such things and execute all such documents as may be necessary or desirable to obtain right in and to maintain the Intellectual Property and for modifications thereto, and to vest title thereto in Assignee, its successors, assigns and legal representatives or nominees.

The Assignors hereby authorize and request the applicable intellectual property offices and domain name registrars to recognize the Assignee's rights, as the assignee of the Assignors' entire rights, title and interest in and to the Intellectual Property, of sole use and benefit of the Intellectual Property, and for the use and benefit of its successors and assigns, to the full end of the term for which rights in the Intellectual Property may be granted as fully and entirely as the same would have been held by the Assignors had this assignment and transfer not been made.

This Agreement is binding on and inures to the benefit of the parties to this Agreement and their respective permitted successors and permitted assigns.

This Agreement and all matters arising out of or relating to this Agreement, are governed by, and construed in accordance with, the laws of the Province of Ontario, and the federal laws of Canada applicable therein without regard to the conflict of laws provisions thereof.

This Agreement may be executed in counterparts, each of which is deemed an original, but all of which together are deemed to be one and the same agreement.

[SIGNATURES APPEAR ON THE PAGE THAT FOLLOWS]

This Intellectual Property Assignment is:

SIGNED this 25th day of April, 2020, at [REDACTED],
(city)
[REDACTED], [REDACTED].
(province) (country)

Witness

INNOVATION METALS CORP.

Name: [REDACTED]
Address: [REDACTED]
[REDACTED]
[REDACTED]

Per: *"John Veltheer"*
Name: John Veltheer
Title: Director
I have the authority to bind the company.

SIGNED this 25th day of April, 2020, at [REDACTED],
(city)
[REDACTED], [REDACTED].
(province) (country)

Witness

"Gareth Hatch"

Name: [REDACTED]
Address: [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

GARETH HATCH

SIGNED this 25th day of April, 2020, at [REDACTED],
(city)
[REDACTED], [REDACTED].
(province) (country)

Witness

"Patrick Wong"

Name: [REDACTED]
Address: [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

PATRICK WONG

[Redacted – personal information]

Schedule 3.1(gg)(vi)
Patent Applications

[Redacted – commercially sensitive information]

Schedule 3.1(jj)(i)
Related Party Transactions

1. An aggregate of \$[REDACTED] payable to [REDACTED] for previously provided and future ad-hoc services is expected to be converted into [REDACTED] common shares of IMC prior to Closing.
2. An aggregate of \$[REDACTED] payable to [REDACTED] for previously provided services and unpaid invoices is expected to be converted into [REDACTED] common shares of IMC prior to Closing.
3. An aggregate of \$[REDACTED] payable to [REDACTED] for previously provided services and unpaid invoices is expected to be converted into [REDACTED] common shares of IMC prior to Closing.
4. An aggregate of \$[REDACTED] payable to [REDACTED] for previously provided strategic advisory services is expected to be converted into [REDACTED] common shares of IMC prior to Closing.

[Redacted – commercially sensitive and personal information]