

ASSET PURCHASE AGREEMENT
BETWEEN
TEMISKAMING TESTING LABORATORIES INC.
As Purchaser
AND
POLYMET RESOURCES INC.
As Vendor
DATED AS OF JANUARY 8, 2020

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THIS ASSET PURCHASE AGREEMENT is made as of January 8, 2020.

AMONG: **TEMISKAMING TESTING LABORATORIES INC.**, a corporation duly constituted under the laws of Canada, having a place of business at 48 Ferland Street, Haileybury, Ontario, P0J 1K0, Canada;

(the “**Purchaser**”)

AND: **POLYMET RESOURCES INC.**, a corporation duly constituted under the laws of Ontario, having a place of business at 1 Presley Street, Cobalt, Ontario, P0J 1C0, Canada;

(the “**Vendor**”)

WHEREAS the Vendor carries on the business of operating an assay laboratory, bulk sampling, crushing, grinding, processing, upgrading and smelting plant (the “**Business**”);

WHEREAS the Vendor wishes to sell to the Purchaser, and the Purchaser wishes to purchase from the Vendor, substantially all of the assets used to carry on the operation of the Business, the whole in accordance with the terms and conditions hereof;

WHEREAS the Purchaser is a wholly-owned subsidiary of Canada Cobalt Works Inc. (“**CCW**”), a public corporation existing under the laws of Canada and listed on the TSX Venture Exchange (the “**Exchange**”);

NOW THEREFORE, in consideration of the premises and mutual agreements herein contained, and for other good and valuable consideration (the receipt and sufficiency of which are acknowledged by each Party), the Parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

The capitalized words and expressions used in this Agreement or in its Schedules shall have the meaning ascribed to them in Exhibit A, unless otherwise expressly stated herein.

1.2 Articles, Sections and Headings

The division of this Agreement into Articles, Sections, Exhibits and Schedules and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement. The terms “hereof”, “hereunder”, “herein” and similar expressions refer to this Agreement and not to any particular Article, Section, Exhibit, Schedule or other portion hereof. References herein to Articles,

Sections, Exhibits or Schedules are to Articles, Sections, Exhibits and Schedules of this Agreement or of the Exhibits and Schedules hereto unless otherwise expressly stated herein.

1.3 Extended Meanings

In this Agreement, words importing the singular number also include the plural and vice versa and words importing any gender include all genders. The term “including” means “including, without limiting the generality of the foregoing”.

1.4 Accounting Principles

Wherever in this Agreement reference is made to a calculation to be made or an action to be taken in accordance with generally accepted accounting principles, such reference will be deemed to be made to ASPE, applicable as at the date on which such calculation or action is made or taken or required to be made or taken in accordance with ASPE.

1.5 Currency

Except as expressly provided herein, all references to currency contained herein are to lawful money of Canada.

1.6 Calculation of Time

- (a) *Time*. Time is of the essence of this Agreement.
- (b) *Calculation of Time*. Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends. Where the last day of any such time period is not a Business Day, such time period shall be extended to the next Business Day following the day on which it would otherwise end.
- (c) *Business Days*. Whenever any action to be taken or payment to be made pursuant to this Agreement would otherwise be required to be made on a day that is not a Business Day, such action shall be taken or such payment shall be made on the first Business Day following such day.
- (d) *Time of Day*. All references to times of the day are to the times of the day in Toronto, Ontario.

1.7 Exhibits and Schedules

The following Exhibits and Schedules attached hereto are incorporated herein by reference and deemed to form a part hereof:

Exhibits

Exhibit A Definitions

Schedules

Schedule 4.1	Representations and Warranties of Vendor
Schedule 4.2	Representations and Warranties of Purchaser
Schedule 3.3	Assumed Obligations
Schedule 3.5	Allocation of Purchase Price

Disclosure Schedules

[Disclosure Schedules redacted]

**ARTICLE 2
PURCHASE AND SALE**

2.1 Purchase and Sale of Assets

In consideration for the Purchase Price and subject to the terms and conditions hereof, the Vendor hereby agrees to sell, transfer and convey to the Purchaser on the Closing Date, and the Purchaser accepts and agrees to purchase, all of the rights and titles to and interests in the Business held by the Vendor, including all rights and titles to and interests in the assets described below that are held by the Vendor and make up the said Business, namely (the “**Assets**”):

- 2.1.1 Owned Properties;
- 2.1.2 Inventory;
- 2.1.3 Rolling Stock;
- 2.1.4 Equipment;
- 2.1.5 Office Supplies;
- 2.1.6 Computer Equipment;
- 2.1.7 Capital Assets;
- 2.1.8 Transferred Permits;
- 2.1.9 Transferred Agreements; and
- 2.1.10 Goodwill.

In respect of the Owned Properties, the Vendor agrees to sell, convey, assign, transfer and deliver the Owned Properties to the Purchaser, free and clear of all Charges, except Permitted Encumbrances, on the terms and conditions contained herein.

2.2 Excluded Assets

The Vendor's property listed below is specifically excluded from the sale contemplated herein:

[Information redacted]

ARTICLE 3 PURCHASE PRICE AND TERMS

3.1 Purchase Price

This sale is made for and in consideration of payment, by the Purchaser to the Vendor, of the total amount of \$650,000 (the "**Purchase Price**") and shall be equal to the sum of:

3.1.1 the initial amount of *[dollar amount redacted]* (the "**Initial Consideration**"); plus

3.1.2 the amount of *[dollar amount redacted]* corresponding to the Assumed Obligations,

subject to a reallocation of the Purchase Price between the Initial Consideration and the Assumed Obligations should there be any variation of the amount of the Assumed Obligations between the date of this Agreement and the Closing Date.

3.2 Payment of the Initial Consideration

3.2.1 The Initial Consideration shall be paid and satisfied at the Closing by the issuance to the Vendor of 690,409 units (the "**Units**"), at a deemed issue price of \$0.45 per Unit.

3.2.2 Each Unit being comprised of one (1) common share of CCW (each a "**CCW Share**") and one (1) warrant (each a "**CCW Warrant**") entitling the holder thereof to purchase one (1) CCW Share (each a "**CCW Underlying Share**") at a price of \$0.50 per share for a period of twenty-four (24) months from the Closing Date.

3.2.3 The certificates representing the CCW Shares, the CCW Warrants and the CCW Underlying Shares (to the extent they are issued within four (4) months of the Closing Date) shall bear the following legend pursuant to Applicable Securities Laws:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [INSERT DATE] THAT IS FOUR MONTHS AND A DAY AFTER THE DISTRIBUTION DATE.”

- 3.2.4 The certificates representing the CCW Shares, the CCW Warrants and the CCW Underlying Shares (to the extent they are issued during the Exchange Hold Period) shall bear the following legend pursuant to the Exchange Hold Period pursuant to the rules of the Exchange:

“WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES PRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [INSERT THE DATE FOLLOWING THE FOURTH MONTH AFTER THE DISTRIBUTION].”

- 3.2.5 The Units are being issued on a prospectus-exempt basis under National Instrument 45-106 - *Prospectus Exemptions* and, as a consequence, certain protections, rights and remedies provided by Applicable Securities Laws, including statutory rights of rescission or damages, will not be available to the Vendor, and the CCW Shares, the CCW Warrants and the CCW Underlying Shares comprising the Units will be subject to resale restrictions.
- 3.2.6 The Vendor’s information provided in the Agreement, identifying among other things the name and address of the Vendor, the number and type of Units, the consideration for such Units and the applicable prospectus exemption, will be disclosed to the Canadian securities regulatory authorities, and such information is being indirectly collected by the Canadian securities regulatory authorities under the authority granted to it under Applicable Securities Laws. This information is being collected for the purposes of the administration and enforcement of Applicable Securities Laws. The Vendor hereby authorizes the indirect collection of such information by the Canadian securities regulatory authorities.

3.3 Assumed Obligations

Subject to the terms and conditions set forth herein, the Purchaser agrees to assume as of and from the Closing Date, the obligations listed in Schedule 3.3, but only up to the amount set forth in such Schedule 3.3, on behalf and to the entire exoneration of the Vendor (the “**Assumed Obligations**”).

3.4 Excluded Liabilities

It is agreed that the Purchaser, in acquiring the Business, acquires only those debts and obligations of the Vendor that pertain to the Assumed Obligations. The Purchaser shall not assume any asset, debt, contract or obligation of the Vendor other than those that are specifically provided for herein.

3.5 Allocation of Purchase Price

The Parties shall complete Schedule 3.5 which sets forth the allocation of the Purchase Price to the various Assets by no later than on the Closing Date.

3.6 Tax Elections

3.6.1 Sales tax.

- (a) The Parties declare that the Assets contemplated by this sale represent all or substantially all of the property used in the context of a commercial activity in which the Business engages in whole or in part.
- (b) The Parties therefore consider that the transaction provided for in this Agreement constitutes a sale contemplated by section 167 of the ETA and the amendments thereto, as well as by the similar provisions of provincial legislation. Consequently, the Parties agree to make the elections prescribed by these laws in such a manner that no tax is payable as a result of this Agreement, and to sign the forms prescribed in the provisions of the said laws.

3.6.2 *Cooperation.* The Vendor and Purchaser shall cooperate in the filing of the above elections and forms prescribed by the relevant Governmental Authorities no later than upon expiry of the applicable reporting period following the Closing Date, as required under the ETA, the ITA and the similar provisions of provincial legislation.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of the Vendor

The Vendor represents and warrants to the Purchaser as set forth in Schedule 4.1 hereof and acknowledges that the Purchaser is relying upon such representations and warranties in entering into this Agreement.

4.2 Representations and Warranties of the Purchaser

The Purchaser represents and warrants to and in favour of the Vendor as set forth in Schedule 4.2 hereof and acknowledges that the Vendor is relying upon such representations and warranties in entering into this Agreement.

4.3 Disclosure

- 4.3.1 Disclosure of any fact or item in any Schedule referenced by or to a particular Article or Section in this Agreement shall be deemed to have been disclosed only with respect to such Article or Section in this Agreement. The Schedules shall not vary, change or alter the language of the representations or warranties in this Agreement and, to the extent that language in any Schedule either does not conform to the language of such representations and warranties or purports to vary the same, such language shall be disregarded and of no force and effect.
- 4.3.2 No investigations, inspections, surveys or tests made by or on behalf of any party at any time shall affect, mitigate, waive, diminish the scope of or otherwise affect any representation or warranty made by any other party in or pursuant to this Agreement.

4.4 Survival of Representations and Warranties

- 4.4.1 *Vendor.* All representations and warranties made by the Vendor in this Agreement and in the officer certificates delivered in Sections 6.1.1(a) and (b) shall survive the Closing as follows:

- (a) the representations and warranties set forth in Section 4.1.1, 4.1.2, 4.1.3 and 4.1.4 of Schedule 4.1 shall survive the Closing without time limit; and
- (b) all of the other representations and warranties and all covenants and obligations of the Vendor in this Agreement shall survive the Closing and continue for a period of *[information redacted]* from the Closing Date.

After such periods, the Vendor shall have no further liability hereunder with respect to such representations, warranties and covenants except with respect to Claims made within such periods in accordance with the terms of this Agreement.

- 4.4.2 *Purchaser.* All representations and warranties made by the Purchaser in this Agreement and in the officer certificates delivered pursuant to Sections 6.2.1(a) and (b) shall survive the Closing as follows:

- (a) the representations and warranties set forth in Sections 4.2.1 and 4.2.2 of Schedule 4.2 shall survive the Closing without time limit; and
- (b) all of the other representations and warranties and all covenants and obligations of the Purchaser in this Agreement shall survive the Closing and continue for a period of *[information redacted]* from the Closing Date.

After such periods, the Purchaser shall have no further liability hereunder with respect to such representations, warranties and covenants except with respect to Claims made within such periods in accordance with the terms of this Agreement.

- 4.4.3 *Fraud.* Notwithstanding anything herein contained to the contrary, in the case of any breach by a Party of any representation or warranty or of a failure by a Party to observe or perform a covenant or obligation, in either case, involving fraud, intentional or gross fault, there shall be no time limitation on the right of the other Party to bring any Claim in respect of such breach or failure and to be indemnified in respect thereof.

ARTICLE 5 COVENANTS

5.1 Access

During the Interim Period, the Vendor shall permit the Purchaser and its employees, agents, counsel and accountants or other representatives to have reasonable access during business hours, upon reasonable notice, to the Vendor, its properties, its Books and Records and to any other documents, information or properties related to the Business for the purposes of preparing the transition of the Business.

5.2 Operation of Business

5.2.1 *General Terms.* The Vendor hereby covenants and agrees from the date hereof until the Closing Date that it shall carry on the Business only in the Ordinary Course.

5.2.2 *Negative Covenants.* Without limiting the foregoing, the Vendor hereby covenants and agrees that it shall not do or attempt to do any of the following without the prior written consent of the Purchaser (such consent not to be unreasonably withheld or delayed):

- (a) sell, lease, transfer, create or allow any Encumbrance to affect, or otherwise dispose of, any of the Assets other than Inventory in the Ordinary Course;
- (b) amend or repeal the terms and conditions of any contract that is part of the Assets;
- (c) amend or cancel its existing insurance policies;
- (d) change any accounting methods, principles, practices or policies relating to the Vendor;
- (e) initiate a plan of arrangement, reorganization, merger or similar transaction;
- (f) proceed with any liquidation, consolidation, recapitalization or other restructuring; or

- (g) enter into any agreement or other commitment whatsoever to do any of the foregoing.

5.3 Cooperation for Closing

- 5.3.1 *Closing conditions.* Each Party shall use its commercially reasonable efforts to execute and deliver all documents and things and perform all acts necessary or appropriate to give effect to the purposes and intent of this Agreement. The Vendor shall use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions set forth in Section 6.1 to the extent the same are within its control. The Purchaser shall use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions set forth in Section 6.2 to the extent the same are within its control.
- 5.3.2 *Consents.* The Vendor shall use commercially reasonable efforts to obtain, prior to Closing, all Third Party Consents. The Purchaser shall provide full cooperation and assistance at its cost to the Vendor in its efforts to obtain such consents and waivers.

5.4 Non-Competition and Non-Solicitation

- 5.4.1 *Non-Competition.* The Vendor hereby agrees and undertakes in favour of the Purchaser and its successors and assigns (collectively, the “**Beneficiaries**”) for a [information redacted] term following the Closing Date (the “**Restricted Period**”) to refrain from directly or indirectly performing services for, owning or having an interest in, managing, operating, participating with or assisting in any way in, any Person, or allowing name to be used by a Person that, directly or indirectly, is engaged in the business of operating an assay laboratory, bulk sampling, crushing, grinding, processing, upgrading and smelting plant (a “**Competing Business**”), anywhere within the territory of Canada; *provided, however,* that for the purposes of this Section 5.4.1, ownership of securities having no more than [percentage redacted] of the outstanding voting power of any entity which is listed on any national securities exchange shall not be deemed to be in violation of this Section 5.4.1 as long as the Person owning such securities has no other connection or relationship with such entity.
- 5.4.2 *Non-Solicitation – Clients.* As a separate and independent covenant, throughout the Restricted Period, the Vendor hereby agrees and undertakes in favour of the Beneficiaries that it shall not, directly or indirectly, solicit, initiate or participate in discussions or otherwise contact a Client or a Prospective Client for the purposes of offering or selling goods, products or services in connection with a Competing Business or incite the said Client or Prospective Client to amend or sever its business relationship with the Corporation.
- 5.4.3 *Non-Solicitation – Suppliers.* As a separate and independent covenant, throughout the Restricted Period, the Vendor hereby agrees and undertakes in favour of the Beneficiaries that it shall not, directly or indirectly, take any action whatsoever

that would cause a supplier to reduce, curtail or terminate, in whole or in part, its relationship with the Corporation.

5.4.4 *Joint Tax Election.* The Vendor and the Purchaser hereby acknowledge and agree that no portion of the Purchase Price is allocated, considered or regarded as a consideration for the undertakings contained in this Agreement. The Parties acknowledge and agree that the undertakings set forth at Sections 5.4.1 to 5.4.4 aim, amongst others, to maintain and protect the fair market value of the Assets transferred in accordance herewith and that, it is intended by the Parties that subsections 56.4(5) and (7) of the ITA, and the similar provisions of provincial legislation, apply with respect to the undertakings described in Sections 5.4.1 to 5.4.4 to the extent those subsections apply to such undertakings. To the extent that section 56.4 of the ITA, and the similar provisions of provincial legislation require the filing of a joint election in order for these subsections to apply, the Purchaser hereby undertakes to execute such a joint election submitted by the Vendor and filed by it with the Tax Authority.

5.5 Employees

The Purchaser will not retain any Employee and the Vendor shall be solely responsible to honour the employment contracts of the Employees. The Vendor shall indemnify and hold the Purchaser harmless from any Third Party Claim for any damages, compensation, advantages or otherwise resulting, directly or indirectly, from the Employees' employment with the Vendor, including the termination thereof. No limitation on indemnification provided for in Section 8.2 or elsewhere in this Agreement shall apply to the indemnification provided in this Section 5.5.

5.6 Maintenance and Access to Records

The Purchaser agrees that it will retain, in a location in Canada, all Books and Records and any other documents, information and files relating to the Vendor delivered to it by the Vendor and relating to any period ending on or prior to the Closing Date for a period of [information redacted] following the Closing Date. So long as such Books and Records and such other documents information and files are retained by the Purchaser, the Vendor or its authorized representatives shall have reasonable access thereto but the Purchaser shall not be responsible or liable to the Vendor for or as a result of any loss or destruction of or damage to any such books, or records or such other documents, information and files. In addition, the Vendor may also retain any copy of the Books and Records which it deems appropriate.

5.7 Risk of Loss

The Vendor shall assume the risks of loss associated with the Assets until the Closing Date.

5.8 Reimbursement of Voluntary Dissolution Costs

The Purchaser shall reimburse the Vendor for all reasonable legal fees and costs incurred by the Vendor or its shareholders for the voluntary wind-up and dissolution of the Vendor after the expiration of the Exchange Hold Period, up to a maximum of \$2,000.00, plus applicable taxes.

5.9 Title, Requisition and Electronic Registration

- 5.9.1 Not later than *[information redacted]* prior to Closing, the Vendor shall deliver evidence confirming that the Vendor has such legal rights of entry and exit to and from the Owned Properties as are reasonably necessary to carry on the Business substantially in the manner in which it is currently carried on, including, but not limited to, evidence that Presley Street as well Lang Street adjoining the Owned Properties, are dedicated as public highways.
- 5.9.2 Not later than *[information redacted]* prior to Closing, the Vendor shall deliver evidence confirming that it has filed with the land registry office a request to make the following corrections: *[information redacted]*.
- 5.9.3 The transfer of the Owned Properties shall be in the usual form prepared by the Vendor's solicitor. The Purchaser shall pay the cost of registration of the transfer to it and any land transfer taxes payable with respect thereto. The Vendor shall provide a statutory declaration as to its possession of the Owned Properties for its period of ownership prior to the Closing Date and there being no defaults under Permitted Encumbrances in form and substance satisfactory to the Purchaser.
- 5.9.4 The Vendor and the Purchaser covenant and agree to cause their respective solicitors to enter into a document registration agreement (the "**DRA**") in a form acceptable to the solicitors to govern the electronic submission of the transfer/deed of the Owned Properties at Closing to the applicable Land Registry Office. The Purchaser shall, on or before closing, provide a direction to the Vendor authorizing the manner in which the Vendor's solicitor shall engross the transfer.
- 5.9.5 Not later than *[information redacted]* prior to the Closing Date, the Vendor shall deliver (i) evidence confirming that the Mortgage in favour of 6576346 Canada Limited has been discharged, and (ii) a mortgage discharge statement *[information redacted]* setting out the outstanding principal and accrued interest due, any penalties or fees or other amounts required to be paid to pay out to discharge the Mortgage registered in its favour.

ARTICLE 6

CONDITIONS PRECEDENT

6.1 Conditions Precedent in Favour of Purchaser

6.1.1 *Conditions.* The obligations of the Purchaser to purchase the Assets shall be subject to the satisfaction, on or before the Closing Date, of each of the following conditions precedent (each of which is for the Purchaser's exclusive benefit and may be waived by the Purchaser, in whole or in part at its option, and any one or more of which, if not satisfied or waived, will relieve the Purchaser of any obligation under this Agreement):

- (a) each of the obligations and covenants of the Vendor under this Agreement to be performed or complied with on or before the Closing Date shall have been performed or complied with in all material respects;
- (b) each of the representations and warranties made in favour of the Purchaser pursuant to this Agreement shall have been true and correct in all material respects on the Closing Date as if made on and as of such date;
- (c) there shall not have occurred a Material Adverse Change since the execution of this Agreement;
- (d) no Order shall have been enacted or issued to prohibit or restrict the completion of the transactions provided for in this Agreement in accordance with the provisions herein; and
- (e) all Third Party Consents shall have been obtained, including the Exchange Approval;
- (f) the Purchaser will have received a title insurance policy in respect of the Vendor's title to the Owned Properties underwritten by a reputable insurer, in form and substance acceptable to the Purchaser, acting reasonably;
- (g) the Purchaser will have received a non-competition and non-solicitation duly executed by each of Mr. Chitaroni and Mr. Pinkney, substantially equivalent to the Corporation's non-competition and non-solicitation covenants set forth in Section 5.4 (but with a restricted period beginning at the end of the term of the consulting agreements referred to in Section 6.1.1(h)), in form and substance acceptable to the Purchaser, acting reasonably;
- (h) the Purchaser will have received a consulting agreement duly executed by each of Mr. Chitaroni and Mr. Pinkney for the transition of the Business for the benefit of the Purchaser, in form and substance acceptable to the Purchaser, acting reasonably; and

- (i) the Purchaser will have received from the Corporation's legal counsel a legal opinion on the enforceability of this Agreement and the transaction contemplated therein, in form and substance acceptable to the Purchaser's legal counsel, acting reasonably.

6.1.2 *Non-Fulfilment.* In the event that one or more of the conditions set forth in this Section 6.1 is not fulfilled on or before the Closing Date, but no later than on the Outside Date, and the Purchaser does not waive such condition pursuant to this Section 6.1, the Purchaser may elect not to effect the Closing, and, if the Purchaser so elects, this Agreement shall be terminated, in which event neither the Vendor nor the Purchaser shall have any further obligations hereunder nor any liability, recourse or penalty against one another.

6.1.3 *Destruction or Expropriation.* If, prior to the Time of Closing, there occurs any material destruction or damage by fire or other cause or hazard to any of the assets of the Vendor, or if the Owned Properties or any material part of it is expropriated or forcefully taken by any Governmental Authority, or if notice of intention to expropriate a material part of the Owned Properties has been filed in accordance with Applicable Laws, then the Purchaser may, at their option, send written notice to the Vendor that this Agreement is terminated.

6.1.4 *Mortgage Repayment.* On the Closing Date, the Purchaser shall pay directly to South Temiskaming Community Futures Development Corporation all amounts due by the Vendor as set forth in the mortgage discharge statement referred to in subsection 5.9.5, and discharge of the Mortgage in favour of South Temiskaming Community Futures Development Corporation at the land registry office as soon as possible thereafter.

6.2 Conditions Precedent in Favour of Vendor

6.2.1 *Conditions.* The obligations of the Vendor to sell the Assets shall be subject to the satisfaction, on or before the Closing Date, of each of the following conditions precedent (each of which is for the exclusive benefit of the Vendor and may be waived by the Vendor, in whole or in part at its option, and any one or more of which, if not satisfied or waived, will relieve the Vendor of any obligation under this Agreement):

- (a) each of the obligations and covenants of the Purchaser under this Agreement to be performed or complied with on or before the Closing Date shall have been performed or complied with in all material respects;
- (b) each of the representations and warranties made in favour of the Vendor pursuant to this Agreement shall have been true and correct in all material respects on the Closing Date as if made on and as of such date; and
- (c) no Order shall have been enacted or issued to prohibit or restrict the completion of the transactions provided for in this Agreement in accordance with the provisions herein.

6.2.2 *Non-Fulfilment.* In the event that one or more of the conditions set forth in this Section 6.2 is not fulfilled on or before the Closing Date and the Vendor does not waive such condition pursuant to this Section 6.2, the Vendor may elect not to effect the Closing, and, if the Vendor so elects, this Agreement shall be terminated, in which event neither the Vendor nor the Purchaser shall have any further obligations hereunder nor any liability, recourse or penalty against one another.

ARTICLE 7 CLOSING ARRANGEMENTS

7.1 Closing

The transactions provided for herein shall take place remotely via the exchange of documents and signatures on the Closing Date or any other procedure or location agreed upon in writing by the Purchaser and the Vendor.

7.2 Vendor Closing Deliveries

7.2.1 The Vendor shall deliver or cause to be delivered to the Purchaser the following documents:

- (a) the actual possession of the Assets, including all keys, access cards and access modes relating to the Assets, which shall include vacant possession of the Owned Properties;
- (b) a certificate of a senior officer of the Vendor, acting as an officer and without personal liability, confirming as of the Closing Date the representations, warranties and covenants of the Vendor as set out in Sections 6.1.1(a) and 6.1.1(b) of this Agreement;
- (c) evidence that the Third Party Consents have been obtained;
- (d) evidence that all Encumbrances, including the Mortgages (save as provided in subsection 6.1.4), other than the Permitted Encumbrances, registered against the Assets have been cancelled or discharged;
- (e) the duly filled-out and executed tax election forms provided for in Section 3.6, as applicable;
- (f) all Books and Records of the Business; and
- (g) all other conveyances and documents which the Purchaser has reasonably requested on or before Closing to give effect to the property transfer by the Vendor to the Purchaser of the Assets free and clear of all Encumbrances, save and except the Permitted Encumbrances.

7.3 Purchaser Closing Deliveries

7.3.1 At the Closing, the Purchaser shall deliver and pay, or cause to be delivered and paid, to the Vendor the following documents and payments:

- (a) deliver the certificates representing the Units issued to the Vendor representing the Initial Consideration;
- (b) pay and discharge the Assumed Obligations;
- (c) the certificate of a senior officer of the Purchaser acting as an officer and without personal liability, confirming as of the Closing Date the representations, warranties and covenants of the Purchaser as set out in Sections 6.2.1(a) and 6.2.1(b) of this Agreement; and
- (d) the duly filled-out and executed tax election forms provided for in Section 3.6, as applicable.

ARTICLE 8 INDEMNIFICATION

8.1 Indemnification by Vendor

8.1.1 *Liability.* Subject to Sections 4.4.1 the Vendor shall indemnify and save harmless the Purchaser from and against all Loss it may suffer or incur as a result of:

- (a) any breach of any representation or warranty made or given by the Vendor in Schedule 4.1 to this Agreement and in the officer certificate delivered pursuant to Section 6.1.1(b);
- (b) any failure by the Vendor or the Guarantors to observe or perform any of its covenants or obligations contained in this Agreement; or
- (c) any obligation of the Vendor that is not an Assumed Obligation.

8.2 Limitations on Indemnification

8.2.1 No Claims for indemnification may be made by the Purchaser against the Vendor in respect of any Loss resulting from any matter referred to in Section 8.1 (a) for any single Loss, unless and until such Loss exceeds \$1,000, in which event only the amount of Losses which exceed such amount may be recovered by the Purchaser.

8.2.2 The maximum aggregate liability of the Vendor with respect to indemnification pursuant to Section 8.1 shall not exceed the Purchase Price.

8.3 General Indemnification Rules

The obligations of the Indemnifier to indemnify the Indemnified Party in respect of any Loss shall also be subject to the principles set forth in this Section 8.3.

- 8.3.1 *Recovery Once.* With respect to any Loss suffered by the Indemnified Party, no liability shall attach to the Indemnifier to the extent that the same Loss has been recovered by the Indemnified Party under any other representation or warranty contained in this Agreement or any other document referred to herein and, accordingly, the Indemnified Party may only recover once in respect of the same Loss.
- 8.3.2 *Insurance.* The obligation of indemnification shall not apply to the extent that any Loss claimed has been reimbursed through insurance to the Indemnified Party or ought to have been covered after Closing if the Purchaser had continued to maintain the insurance of the Vendor after Closing.
- 8.3.3 *Remedy.* To the extent that any breach of representation or warranty contained in this Agreement is capable of remedy, the Indemnified Party shall afford the Indemnifier a reasonable opportunity to remedy the matter complained of, provided that the Indemnified Party shall not be obligated to offer the Indemnifier such opportunity where the breach is continuing and it suffers continuing material harm or prejudice as a result of such breach and it makes prompt commercially reasonable efforts to mitigate such harm or prejudice.
- 8.3.4 *Fault of Party.* The obligation of indemnification shall not apply to the extent that any Loss results from the intentional or gross fault of the Party seeking indemnification or from fraud committed by such Party.

8.4 Direct Claims

Any Direct Claim shall be asserted by giving the Indemnifier reasonably prompt written notice thereof, but in any event not later than [information redacted] after the Indemnified Party becomes aware of acts, omissions or facts that may give rise to such Direct Claim. Such notice to the Indemnifier shall describe the Direct Claim in reasonable detail and shall indicate, if reasonably practicable, the estimated amount of the Loss that has been or may be sustained by the Indemnified Party. The Indemnifier shall then have a period of [information redacted] within which to respond in writing to such Direct Claim (the “**Response Period**”). If the Indemnifier does not so respond within the Response Period, the Indemnifier shall be deemed to have rejected such Claim, and in such event the Indemnified Party shall be free to pursue such remedies as may be available to the Indemnified Party (including those provided for in the Escrow Agreement, if applicable). If the Indemnifier agrees prior to the expiration of the Response Period as to the validity of the Direct Claim, the Indemnifier shall promptly pay to the Indemnified Party the amount of such Direct Claim forthwith upon such amount being quantified. If the Parties fail to agree as to the validity of the Direct Claim or its amount, any Party may exercise all remedies as may be available to such Party.

8.5 Notice of Third Party Claim

If an Indemnified Party receives notice of the commencement or assertion of any Third Party Claim, the Indemnified Party shall give the Indemnifier reasonably prompt notice thereof, but in any event no later than *[information redacted]* after receipt of such notice of such Third Party Claim. Such notice to the Indemnifier shall describe the Third Party Claim in reasonable detail and shall indicate, if reasonably practicable, the estimated amount of the Loss that has been or may be sustained by the Indemnified Party.

8.6 Defence of Third Party Claims

8.6.1 *Assumption of Defence.* The Indemnifier may participate in or assume the defence of any Third Party Claim by giving notice to that effect to the Indemnified Party not later than *[information redacted]* after receiving notice of that Third Party Claim (the “**Notice Period**”). The Indemnifier’s right to do so shall be subject to the rights of any insurer or other party who has potential liability in respect of that Third Party Claim. The Indemnifier agrees to pay all of its own expenses of participating in or assuming such defence. The Indemnified Party shall cooperate in good faith in the defence of each Third Party Claim, even if the defence has been assumed by the Indemnifier, and may participate in such defence assisted by counsel of its own choice at its cost and expense, provided that the Indemnifier and its legal counsel shall lead the defence. If the Indemnified Party has not received the notice within the Notice Period that the Indemnifier has elected to assume the defence of such Third Party Claim, the Indemnified Party may, at its option, elect to settle or compromise the Third Party Claim or assume such defence, assisted by counsel of its own choosing and the Indemnifier shall be liable for all reasonable costs and expenses paid or incurred in connection therewith and any Loss suffered or incurred by the Indemnified Party with respect to such Third Party Claim.

8.6.2 *Settlement.* The Indemnifier shall not settle any Third Party Claim without the written consent of the Indemnified Party, which consent shall not be unreasonably withheld, unless:

- (a) the terms of the compromise and settlement require only the payment of money and do not require the Indemnified Party to admit any wrongdoing or take or refrain from taking any action; and
- (b) the Indemnified Party receives, as part of the compromise and settlement, an unconditional release, which is in form and substance satisfactory to the Indemnified Party, acting reasonably, from any and all obligations or liabilities it may have with respect to the Third Party Claim.

8.7 Assistance for Third Party Claims

The Indemnifier and the Indemnified Party shall use all reasonable efforts to make available to the Party which is undertaking and controlling the defence of any Third Party Claim (the “**Defending Party**”):

8.7.1 those employees whose assistance, testimony or presence is necessary to assist the Defending Party in evaluating and in defending any Third Party Claim; and

8.7.2 all documents, records and other materials in the possession of such Party reasonably required by the Defending Party for its use in defending any Third Party Claim.

Each of them shall otherwise cooperate with the Defending Party. The Indemnifier shall be responsible for all expenses associated with making such documents, records and materials available and for all reasonable expenses of any employees made available by the Indemnified Party to the Indemnifier hereunder but not for salaries.

8.8 Duty to Mitigate

Nothing in this Agreement shall in any way restrict or limit the general obligation at law of an Indemnified Party to mitigate any Loss which it may suffer or incur by reason of the breach by an Indemnifier of any representation or warranty or the breach of any covenant of the Indemnifier hereunder. If any Loss can be reduced by any recovery, settlement or otherwise under or pursuant to any insurance coverage, or pursuant to any Claim against, recovery from, settlement with or payment by any other Person, the Indemnified Party shall take all appropriate steps to enforce such Claim, recovery, settlement or payment.

8.9 Exclusivity of Remedy

The sole remedy of the Purchaser and the Vendor (in law, under the Applicable Laws or otherwise) for any breach by the other of its representations, warranties or covenants in this Agreement or arising from the transactions contemplated hereby shall be a claim for indemnification pursuant to this Article 8.

8.10 Purchase Price Adjustment

Any indemnification payment made under this Article 8 shall be treated by the Purchaser and the Vendor as an adjustment to the Purchase Price. The value of this adjustment shall be attributed to the relevant class of assets provided for in Schedule 3.5 in light of the object of the indemnification.

ARTICLE 9 TERMINATION

9.1 Termination

9.1.1 *Mutual Termination.* This Agreement may, at any time before Closing be terminated by the mutual written agreement of the Parties.

9.1.2 *Termination by the Purchaser.* The Purchaser, when not in default in any material respect in the performance of its obligations under this Agreement, may, without prejudice to any other rights, terminate this Agreement by written notice to the

Vendor if: (i) any obligation or covenant of the Vendor under this Agreement which is required to be performed or complied with on or before the Closing Date has not been performed or complied with in all material respects, such that the condition contained in Section 6.1.1(a) would not be satisfied, (ii) any of the representations and warranties of the Vendor shall have been not true or correct in all material respects on the Closing Date, such that the condition contained in Section 6.1.1(b) would not be satisfied, or (iii) any other condition contained in Section 6.1 is not fulfilled, waived or satisfied in accordance with Section 6.1.2;

9.1.3 *Termination by the Vendor.* The Vendor, when not in default in any material respect in the performance of its obligations under this Agreement, may, without prejudice to any other rights, terminate this Agreement by written notice to the Purchaser if: (i) any obligation or covenant of the Purchaser under this Agreement which is required to be performed or complied with on or before the Closing Date has not been performed or complied with in all material respects, such that the condition contained in Section 6.2.1(a) would not be satisfied, (ii) any of the representations and warranties in respect of the Purchaser shall have been not true or correct in all material respects, on the Closing Date such that the condition contained in Section 6.2.1(b) would not be satisfied, or (iii) any other condition contained in Section 6.2 is not fulfilled, waived or satisfied in accordance with Section 6.2.2.

9.1.4 *Effect of Termination.* In the case of any termination of this Agreement pursuant to this Article 9 or Sections 6.1.2 or 6.2.2, this Agreement shall be of no further force and effect except for Sections 10.3, 10.4, 10.6, 10.8 and 10.9, which shall continue in full force and effect. No termination of this Agreement shall relieve any Party from liability for any breach of this Agreement.

ARTICLE 10 GENERAL

10.1 Further Assurances

Each of the Parties hereto shall from time to time execute and deliver all such further documents and instruments and do all acts and things as another Party may, either before or after the Closing Date, reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

10.2 No Waiver

Failure of a Party to insist upon the strict performance of any term or condition of this Agreement or to exercise any right, remedy or recourse hereunder shall not be construed as a waiver or relinquishment of any such term and condition.

10.3 Cost and Expenses

Each of the Parties shall be responsible for and pay their respective legal, financial advisory and accounting costs and expenses incurred in connection with the

consummation of the transactions provided herein, including the preparation, execution and delivery of this Agreement and the Closing Documents, and any other costs and expenses whatsoever and howsoever incurred in connection herewith and/or therewith. Notwithstanding the foregoing, the Purchase shall assume the legal costs and expenses of the Vendor up to a maximum of [*dollar amount redacted*], plus applicable taxes.

10.4 Public Announcements

No Party shall issue any press release or otherwise make public statements or filings with respect to this Agreement or the Closing Documents, or the transactions provided for herein or therein, without the consent of the other Parties, which consent shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, each Party shall have the right to override such obligation in order to make any disclosure or filing required under Applicable Laws, in which case the Party making any such disclosure shall use commercially reasonable efforts to give prior oral or written notice to the other Parties and reasonable opportunity for the other Parties to review or comment on the disclosure or filing (other than with respect to confidential information contained in such disclosure or filing), and if such prior notice is not possible, to give such notice immediately following the making of any such disclosure or filing.

10.5 Successors, Assigns and Assignments

This Agreement will enure to the benefit of and be binding upon the respective successors and permitted assigns of the Parties. This Agreement may not be assigned by any Party without the prior written consent of the other Parties.

10.6 Entire Agreement

This Agreement and the Closing Documents constitute the entire agreement between the Parties with respect to the subject matters hereof and thereof and cancels and supersedes any prior understandings and agreements between the Parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the Parties other than as expressly set forth in this Agreement.

10.7 Amendments and Waivers

No amendment to this Agreement shall be valid or binding unless set forth in writing and duly executed by all Parties. No waiver of any breach of any provision of this Agreement shall be effective or binding unless made in writing and signed by the Party purporting to give the same and, unless otherwise provided, will be limited to the specific breach waived.

10.8 Notices

Any demand, notice or other communication to be given in connection with this Agreement shall be given in writing and will be given by personal delivery, by registered mail, by courier services or by facsimile or e-mail (followed by receipt by registered mail

or courier services within two Business Days) addressed: (i) to the respective addresses indicated below, and (ii) if another address, individual or electronic communication number has been designated by notice by any recipient Party to the others, to such other address, individual or electronic communication number (followed by receipt by registered mail or courier services within two Business Days).

If to the Company or the Vendor at:

Polymet Resources Inc.
1 Presley St., P.O. Box 699
Cobalt, Ontario P0J 1C0
Attention: *[Name Redacted]*
Telephone: *[Information Redacted]*
Email: *[Information Redacted]*

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

[Information redacted]
Attention: *[Name Redacted]*
Facsimile No.: *[Information Redacted]*
Email: *[Information Redacted]*

If to the Purchaser at:

Canada Cobalt Works Inc.
3028 Quadra Court
Coquitlam, British Columbia
V3B 5X6
Attention: *[Name Redacted]*
Email: *[Information Redacted]*

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

Fasken Martineau DuMoulin LLP
800 Victoria Square, Suite 3700
Montreal, Québec
H4Z 1E9
Attention: *[Name Redacted]*
Facsimile No.: *[Information Redacted]*
Email: *[Information Redacted]*

Any demand, notice or other communication given by personal delivery or courier services shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the third (3rd) Business Day following the deposit thereof in the mail and, if given by facsimile or e-mail (followed by receipt by registered mail or courier services within two Business Days), on the day of transmittal thereof if given during the normal business hours of the recipient on a Business Day and on the next Business Day if not given during such hours. If the Party giving any demand,

notice or other communication knows or ought reasonably to know of any difficulties with the postal system that might affect the delivery of mail, any such demand, notice or other communication may not be mailed but must be given by personal delivery or by electronic communication (followed by receipt by registered mail or courier services within two Business Days).

10.9 Governing Law and Forum

This Agreement shall be governed by and construed in accordance with the Laws of the Province of Ontario and the Laws of Canada applicable therein (excluding any conflict of laws rule or principle, foreign or domestic, which might refer such interpretation to the laws of another jurisdiction). The Parties hereby irrevocably and unconditionally submit to the exclusive jurisdiction of the courts of the Province of Ontario and elect domicile in the City of Toronto with respect to any matter relating to the execution or construction of this Agreement or the exercise of any right or the enforcement of any obligation arising hereunder (excluding any conflict of forum rule or principle, foreign or domestic, which might refer such matter to the courts of another jurisdiction).

10.10 Severability

If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination shall not impair or affect the validity, legality or enforceability of the remaining provisions hereof, and each provision is hereby declared to be separate, severable and distinct.

10.11 Counterparts

This Agreement may be executed in one or more counterparts, each of which shall conclusively be deemed to be an original but all of which taken together shall be deemed to constitute one and the same agreement. A facsimile or electronic transmission of the Agreement bearing a signature on behalf of a Party shall be legal and binding on such Party.

(remainder of this page left blank intentionally)

IN WITNESS WHEREOF the Parties have executed this Agreement.

**TEMISKAMING TESTING
LABORATORIES INC.**

POLYMET RESOURCES INC.

Per: (signed) Frank Basa
Frank Basa
President

(signed) Gino Chitaroni
Gino Chitaroni
President

EXHIBIT A

DEFINITIONS

1. DEFINITIONS

- 1.1 **“Accounts Receivable”** means all accounts receivable, trade accounts, notes receivable, book debts and other debts (other than cash on hand and deposit accounts held with banks and other financial institutions) of the Business due, accruing and payable to the Vendor which arise from services performed and sales made by the Vendor in the Ordinary Course on or before the Closing Date;
- 1.2 **“Agreement”** means this Agreement, its recital, together with its Schedules and Exhibits and all amendments made hereto by written agreement between the Parties;
- 1.3 **“Applicable Environmental Laws”** means all Applicable Laws relating in whole or in part to the Environment;
- 1.4 **“Applicable Laws”** means all Canadian or foreign federal, provincial, state or municipal statutes, laws (including the common law), ordinances, regulations or by-laws, and all Orders of any Governmental Authority;
- 1.5 **“Applicable Securities Laws”** means securities laws in all jurisdictions relevant to the issuance of the Units to the Vendor, including the Securities Act (British Columbia) or the equivalent legislation in each province and territory of Canada, and the rules, regulations, instruments and policies adopted by any securities commissions or other securities regulatory authorities of any of the provinces or territories of Canada;
- 1.6 **“ASPE”** means (a) prior to January 1, 2011, the generally accepted accounting principles stated in the Handbook of the Canadian Institute of Chartered Accountants and (b) since January 1, 2011, the IFRS Accounting Standards for Private Enterprises in both cases, in effect as of a given date;
- 1.7 **“Assets”** has the meaning given in Section 2.1;
- 1.8 **“Assumed Obligations”** has the meaning ascribed thereto in Section 3.3;
- 1.9 **“Beneficiaries”** shall have the meaning set forth in Section 5.4.1;
- 1.10 **“Blackstone”** has the meaning ascribed thereto in the preamble;

- 1.11 **“Books and Records”** means any books, records and accounts of the Vendor related to the Business including, without limitation, invoices, financial data and records and copies of filed Tax Returns but excludes all privileged communications and all documents containing such communications related to the transactions contemplated herein or in any Closing Document;
- 1.12 **“Buildings”** means all plants, buildings, structures, erections, improvements, appurtenances and fixtures (including fixed machinery and fixed equipment) situate on or forming part of the Lands;
- 1.13 **“Business”** has the meaning ascribed thereto in the preamble hereof;
- 1.14 **“Business Day”** means any day on which commercial deposit-taking banks are generally open for business in Toronto (Ontario), other than a Saturday, a Sunday or a day observed as a non-judicial day in either such location under applicable Laws in Ontario;
- 1.15 **“Capital Assets”** means the leasehold improvements, capital assets and tangible, movable or personal property, materials, Fixtures and furniture that belong to the Vendor and relate to the Business;
- 1.16 **“Capital Lease”** means any lease of any property (whether real, personal, movable, immovable or mixed) by the Vendor as lessee that, in accordance with ASPE, either would be required to be classified and accounted for as a capital lease on the balance sheet of such Person or would otherwise be disclosed as such in a note to the Financial Statements;
- 1.17 **“CCW”** has the meaning ascribed thereto in the preamble;
- 1.18 **“CCW Share”** has the meaning given in Section 3.2.2;
- 1.19 **“CCW Underlying Share”** has the meaning given in Section 3.2.2;
- 1.20 **“CCW Warrant”** has the meaning given in Section 3.2.2;
- 1.21 **“Charge”** means any encumbrance of any kind whatever (registered or unregistered) and includes any security interest, mortgage, conditional sale, lien, hypothec, pledge, hypothecation, assignment, charge, security under section 426 or section 427 of the *Bank Act* (Canada), trust or deemed trust (whether contractual, statutory or otherwise arising), a voting trust or pooling agreement with respect to securities, any adverse claim or joint ownership interest, any grant of any exclusive licence or sole licence, or any other right, option or claim of others of any kind whatever, affecting the Assets or the use thereof, any covenant or other agreement, restriction or limitation on the transfer of the Assets or the use thereof, or a deposit by way of security or an easement, restrictive covenant, limitation, agreement or right of way, restriction, preferential arrangement, encroachment, burden or title reservation of any kind, or any rights or privileges capable of becoming any of the foregoing;

- 1.22 “**Chattels**” means all equipment and other chattels owned by the Vendor located at or used predominantly in connection with the maintenance, repair and operation of the Owned Properties;
- 1.23 “**Claims**” includes claims, notices, demands, requests complaints, proceedings, actions, arbitrations, suits, causes of action, appeals, audits, hearings, investigations, inquiries, assessments or reassessments (including claims, assessments and reassessments for Tax), charges, judgments, grievances or hearings;
- 1.24 “**Client**” means any Person to whom the Vendor provides or has provided services or sells or has sold products to at any time during the Restricted Period or the *[information redacted]* period preceding the Closing Date;
- 1.25 “**Closing**” means the completion on the Closing Date of the sale to, and purchase by, the Purchaser of the Assets and the completion of all other transactions provided for in this Agreement which are to occur concurrently with the purchase and sale of the Assets;
- 1.26 “**Closing Date**” means *[information redacted]* after the date upon which all of the conditions to completion of the transaction as set forth in this Agreement have been satisfied or waived, including the receipt of the Exchange Approval;
- 1.27 “**Closing Document(s)**” means any agreement, transfer and other document delivered in relation to the Closing;
- 1.28 “**Collective Agreement**” means any collective agreement, letters of understanding or letters of intent with any trade union or association which may qualify as a trade union, which would cover any Employee;
- 1.29 “**Competing Business**” has the meaning ascribed thereto in Section 5.4.1;
- 1.30 “**Computer Equipment**” means all computer and office technology materials and equipment used by the Vendor in the course of carrying on the Business, including all servers, computers, photocopiers, printers, computer data and all hard drives, bands and diskettes used by the Vendor in the course of carrying on the Business;
- 1.31 “**Defending Party**” has the meaning ascribed thereto in Section 8.7;
- 1.32 “**Direct Claim**” means any Claim by an Indemnified Party against an Indemnifier which does not result from a Third Party Claim;
- 1.33 “**Employees**” means all of the employees of the Vendor or any one on behalf of the Vendor;

- 1.34 **“Encumbrances”** means pledges, liens (statutory or otherwise), charges, security interests, privileges, mortgages, hypothecs, trust deeds, trust or deemed trust (whether contractual, statutory or otherwise arising), or other similar interests or instruments charging, or creating a security interest in, or against title, easements, servitudes or rights-of-way (registered or unregistered) which affect the assets of a Person;
- 1.35 **“Environment”** means the environment as defined pursuant to the Environmental Laws; and **“Environmental”** shall have the correlative meaning;
- 1.36 **“Environmental Authorizations”** means the authorization certificates, consents, agreements (including agreements respecting sewage system overloads), instructions, orders or registrations issued, granted, conferred or required by a Governmental Authority in respect of any Applicable Environmental Laws;
- 1.37 **“Equipment”** means the equipment, machinery, tools, molds, material handling equipment, storage shelves, shop manuals and office equipment, accessories and prototypes that are generally used or that may serve some use in or be related to the operation of the Business;
- 1.38 **“Exchange”** has the meaning ascribed thereto in the preamble;
- 1.39 **“Exchange Approval”** means the Exchange’s final acceptance of this Agreement and final approval of the transactions contemplated herein;
- 1.40 **“Exchange Hold Period”** has the meaning ascribed thereto in the Section 1.2 of Policy 1.1 of the Exchange;
- 1.41 **“ETA”** means the *Excise Tax Act* (Canada);
- 1.42 **“Excluded Obligations”** has the meaning given in Section 3.4;
- 1.43 **“Financial Statements”** means the financial statements of the Vendor for the year ended July 31, 2019, a copy of which has been provided to the Purchaser;
- 1.44 **“Fixtures”** means all fixtures of every nature and kind incorporated in, situate upon and used in connection with the Owned Properties, including heating, ventilating, air-conditioning, plumbing, electrical, sprinkler and drainage systems and elevators but specifically excluding any fixtures and other tangible personal property owned by the Vendor.
- 1.45 **“Goodwill”** means the goodwill and customers attaching to the Business.
- 1.46 **“Governmental Authority”** means any (a) multinational, federal, provincial, state, regional, municipal, local, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, agency board or bureau, domestic or foreign, (b) any quasi-governmental body exercising any regulatory,

administrative, expropriation or Tax Authority under or for the account of any of the foregoing, and (c) any judiciary or quasi-judiciary tribunal, court or body;

- 1.47 **“Guarantors”** has the meaning ascribed thereto in the preamble;
- 1.48 **“Indemnifier”** means any party obligated to provide indemnification under this Agreement;
- 1.49 **“Indemnified Party”** means any Person entitled to indemnification under this Agreement;
- 1.50 **“Inventory”** or **“Inventories”** means all inventories of the Vendor on the Closing Date related to the Business, including all finished goods, products being manufactured, raw materials, ingredients, packaging materials, production and shipping supplies, spare parts, maintenance items and advertising materials, in each case, on hand, in transit, ordered but not delivered, warehoused or wherever situated;
- 1.51 **“ITA”** means the *Income Tax Act* (Canada);
- 1.52 **“knowledge”** of the Vendor means the actual knowledge of [names redacted], after due and diligent inquiry with respect to the relevant matter;
- 1.53 **“Lands”** means the real property, but excluding the Buildings, described in Schedule 4.1.13;
- 1.54 **“Loss”** means any loss, liability, damage, cost, expense, fine or penalty, including the costs and expenses incurred in pursuing a claim and the reasonable fees of attorneys and experts incurred in connection therewith;
- 1.55 **“Material Adverse Change”** means any change, event or occurrence that, individually or in the aggregate with all other changes, events or occurrences: is or is reasonably likely to have a material and adverse effect upon the Business, results of operations or the financial condition of the Vendor, other than any change, event or occurrence relating to or arising from (i) the consummation of the transaction contemplated herein or the performance of any obligation hereunder, (ii) changes in the Canadian or foreign economies or securities or currency markets in general, (iii) general political, economic or financial conditions, (iv) changes generally affecting the industry in which the Business operates in Canada or abroad, (v) the commencement, occurrence or continuation of any war (whether or not declared), armed hostilities or acts of terrorism, (vi) any change or proposed change in Applicable Laws, regulatory conditions, policies or government programs or the interpretation, application or non-application of Applicable Laws, conditions, policies or programs by any Governmental Authority, (vii) any change in ASPE, (viii) any action taken by the Vendor at the request or with the written request of the Purchaser, (ix) any natural disaster, (x) any of the matters listed in the disclosure Schedules;

- 1.56 **“Mortgage”** means, collectively:
- (a) [Information Redacted]; and
 - (b) [Information Redacted];
- 1.57 **“Mr. Chitaroni”** means Gino Chitaroni;
- 1.58 **“Mr. Pinkney”** means David Pinkney;
- 1.59 **“Notice Period”** has the meaning ascribed thereto in Section 8.6 hereof;
- 1.60 **“Office Supplies”** means the stationery and office supplies used in the operation of the Business, including accounts, invoices, purchase orders, delivery orders, envelopes, letterhead paper or other forms as well as any inventory of packaging supplies and advertising materials;
- 1.61 **“Order”** means any final and enforceable order or any judgment, injunction, decree, ruling, stipulation, award or writ of any court, tribunal, arbitrator or other Governmental Authority;
- 1.62 **“Ordinary Course”** means, when used in relation to the conduct of the Business, any action consistent with the Vendor’s past practices which is taken in the ordinary course of the normal day-to-day operations of the Vendor;
- 1.63 **“Outside Date”** means [date redacted];
- 1.64 **“Owned Properties”** means the real or immovable property, lands, plants, buildings, structures, appurtenances and fixtures situated or forming part thereon of which the Vendor is the registered or beneficial owner, a list of which is attached hereto as Schedule 4.1.13;
- 1.65 **“Parties”** means the Vendor, the Purchaser and the Guarantors, and **“Party”** means any one of them;
- 1.66 **“Permits”** means all permits, certificates, certificates of authorization, certificates of compliance, authorizations, licenses, approvals of and registrations with any Governmental Authority or pursuant to any Laws used or held in connection with the Business;

- 1.67 **“Permitted Encumbrances”** means (a) any easements, servitudes, rights-of-way, licenses, agreements, restrictions that run with the land and other minor Encumbrances (including easements, rights-of-way and agreements for railways, sewers, drains, gas and water mains or electric light and power or telephone, telecommunications or cable conduits, poles, wires and cables) which do not affect the use or value of the Real Property affected thereby and provided the same have been complied with up to and on the Closing Date; (b) defects or irregularities in title to the Real Property which are of a minor nature which do not affect the use or value of the Real Property affected thereby and which would be disclosed in a up-to-date survey; (c) reservations, limitations, provisos and conditions, if any, expressed in any original grants of land by a Governmental Authority which do not affect the use or value of the Real Property affected thereby and provided the same have been complied with up to and on the Closing Date and (d) such other encumbrances which the Purchaser may consent to in writing;
- 1.68 **“Person”** includes any individual, trust, trustee, executor, administrator, legal personal representative, estate, firm, partnership, joint venture, venture capital fund, joint stock company, association, body corporate, corporation, unincorporated association or organization, Governmental Authority, syndicate or other entity, whether or not having legal status;
- 1.69 **“Prospective Client”** means any Person with whom the Vendor has had any significant negotiations and/or discussions regarding the possible provision of services or sale of products at any time during the Restricted Period or the *[information redacted]* period ending on the Closing Date;
- 1.70 **“Purchase Price”** has the meaning ascribed thereto in Section 2.2 hereof;
- 1.71 **“Purchaser”** has the meaning ascribed thereto in the preamble hereof;
- 1.72 **“Response Period”** has the meaning ascribed thereto in Section 8.4;
- 1.73 **“Restricted Period”** shall have the meaning set forth in Section 5.4.1;
- 1.74 **“Rolling Stock”** means the vehicles used by the Vendor in the course of carrying on the Business including, without limiting the generality of the foregoing, automobiles, trucks, lift trucks, hitches and road trailers;
- 1.75 **“Tax”** and **“Taxes”** includes any taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever and wheresoever imposed by any Governmental Authority, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority in respect thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, sales, goods and services, harmonized sales, use, school, value-added, excise, stamp, withholding, business, real property, personal property, development, occupancy, employer health, payroll, employment, health, social services, education and social security

taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, and all employment insurance, health insurance and Governmental Authority pension plan premiums or contributions and for greater certainty, all contributions payable under any tax Laws;

- 1.76 **“Tax Authority”** means the *Canada Revenue Agency*, and any other national, state, local, provincial or other Governmental Authority responsible for the administration, implementation, assessment, determination, enforcement, compliance, collection or other imposition of any Taxes;
- 1.77 **“Tax Returns”** means any and all returns, reports, declarations, statements, information, estimates, rebates or credits, elections, designations, schedules, filings or other documents (including any related or supporting information) relating to Taxes filed or required to be filed by any Tax Authority or pursuant to any Law relating to Taxes or in fact filed with any Tax Authority, including all information returns, Claims for refund, amended returns, declarations of estimated Taxes, and requests for extensions of time to file any of the preceding items;
- 1.78 **“Third Party Claim”** means any Claim asserted against an Indemnified Party that is paid or payable to, or claimed by, any Person who is not a Party or an affiliate of a Party;
- 1.79 **“Third Party Consents”** means all consents, approvals, notices, orders, rulings, authorizations, acknowledgements, registrations, declarations, filings, submissions of information, waivers, sanctions, licenses, exemptions or permits necessary or otherwise required from any Governmental Authority or Person or pursuant to any Law in order to consummate the transactions provided for in this Agreement or any Closing Document, a list of which is set forth in Schedule 1.79;
- 1.80 **“Threatened”** a Claim or other matter will be deemed to have been “Threatened” if any demand or statement has been made in writing or any notice has been given in writing;
- 1.81 **“Time of Closing”** means such time on the Closing Date as agreed upon by the Parties;
- 1.82 **“Transferred Agreements”** means any written agreement or contract, including Capital Leases, third party licences, insurance policies, commitments, indemnifications, sureties and orders emanating from the Vendor in respect of the Business as at the Closing Date;
- 1.83 **“Transferred Permits”** means the Permits identified in Schedule 1.83;
- 1.84 **“Units”** has the meaning set forth in Section 3.2.1; and
- 1.85 **“Vendor”** has the meaning ascribed thereto in the preamble.

SCHEDULE 4.1
REPRESENTATIONS AND WARRANTIES OF THE VENDOR

Representations in respect of Vendor

4.1.1 *Capacity and No Violation of Vendor.*

- (a) The Vendor has been duly incorporated and is validly subsisting. The Vendor has the corporate or legal power and authority to own its assets and carry on its business as currently owned and carried on.
- (b) No resolution has been adopted providing for the dissolution or winding up of the Vendor. The Vendor has neither authorized nor undertaken any procedure, and, to the knowledge of the Vendor, no one has authorized or undertaken any procedure, contemplating the bankruptcy, insolvency, liquidation or winding up of the Vendor or any merger, amalgamation, arrangement or restructuring thereof.
- (c) This Agreement has been duly executed by the Vendor and constitutes legal, valid and binding obligations enforceable against the Vendor in accordance with its terms, subject to bankruptcy, insolvency and other similar laws affecting creditors' rights generally.
- (d) The execution by the Vendor of this Agreement, the performance by it of its obligations hereunder and the completion of the transactions provided for herein will not result in:
 - (i) a material breach of: (i) any articles or by-laws of the Vendor, or (ii) any Applicable Laws, or
 - (ii) the creation or imposition of any Encumbrance upon the Assets;

4.1.2 *Approvals and Consents.* Other than the Third Party Consents, no consent, approval, notice, Order, authorization, filing or Permit is necessary or otherwise required to be obtained by the Vendor from any Governmental Authority or Person in connection with the execution of this Agreement or the consummation by the Vendor of the transactions provided for herein.

Representations in respect of the Business

4.1.3 *Title to Assets.* The Vendor owns and holds each of the Assets (except only those assets which have been disposed of in the Ordinary Course), free and clear of all Encumbrances other than Permitted Encumbrances.

- 4.1.4 *No option.* No Person other than the Purchaser has any arrangement, option or right likely to become an arrangement, option or right to purchase from the Vendor any of the Assets transferred under this Agreement.
- 4.1.5 *Condition of Assets.* The Assets are in good condition, repair and (where applicable) proper working order, subject to normal wear and tear and having regard to their use and age.
- 4.1.6 *Compliance with the Applicable Laws.* The Vendor has in all material respects complied with the Applicable Laws. The Vendor has not received any written notice of a material breach of any Applicable Laws as regards the Assets transferred pursuant to this Agreement and, to the knowledge of the Vendor, no such grounds exist.
- 4.1.7 *Permits.* All Transferred Permits are currently valid, in full force and effect and in good standing. The Vendor is in compliance, in all material respects, with the terms or conditions of such Transferred Permits.
- 4.1.8 *Absence of Certain Changes or Events.* Except as disclosed in Schedule 4.1.8, since [date redacted], the Vendor has conducted its Business only in the Ordinary Course and there has not occurred:
- (a) any material increase in or modification of any compensation, bonus, pension, insurance or benefit arrangement or any granting of severance or termination pay made to, for or with any of the directors, officers or Employees of the Vendor;
 - (b) any entering into, amendment, or relinquishment, termination or non-renewal by the Vendor of any Transferred Agreements, other than in the Ordinary Course;
 - (c) any change in the accounting methods, principles or practices or in the pricing, promotion or warranty policies and practices of the Vendor;
 - (d) any agreement or commitment to do any of the foregoing.
- 4.1.9 *Transferred Agreements*
- (a) To the knowledge of the Vendor, all of the Transferred Agreements are in full force and in effect subject to bankruptcy, insolvency and other similar laws affecting creditors' rights generally and no notice of default or dispute in respect thereof has been received by the Vendor.
 - (b) To the knowledge of the Vendor, there are no material defaults or violations (or which with or without notice, lapse of time or both, could reasonably be expected to, individually or in the aggregate, result in a material default or violation) under any of the Transferred Agreements.

- 4.1.10 *Financial Statements.* The Financial Statements have been prepared in accordance with ASPE and they present fairly, in all material respects, the financial condition, the results of operations and the cash flow of the Vendor as at the date and for the periods presented therein.
- 4.1.11 *Books and Records.* The Books and Records of the Vendor are stated in reasonable detail and accurately and fairly reflect, in all material respects, the transactions and dispositions of the assets of the Vendor.
- 4.1.12 *Litigation.* Except as set forth in Schedule 4.1.12, there is no Claim, Order of more than [dollar amount redacted] pending or, to the knowledge of the Vendor, Threatened that affects the Assets transferred pursuant to this Agreement before any Governmental Authority or which could cause a Material Adverse Change in respect of the Assets or prevent the completion of the transactions provided for herein.
- 4.1.13 *Owned Properties.*
- (a) Schedule 4.1.13 sets forth the legal description of the Owned Properties of which the Vendor as indicated therein is the registered, legal and beneficial owner in fee simple, in each case, with good and marketable title thereto, free and clear of all title defects and Charges, except for Permitted Encumbrances.
 - (b) There is no pending or, to the knowledge of the Vendor, Threatened eminent domain taking, expropriation, condemnation or similar proceeding affecting any of the Owned Properties.
 - (c) Complete copies of the certificates of location, surveys, title, opinion or report and title insurance which relate, in whole or in part, to the Owned Properties which are in the possession of the Vendor have been given to the Purchaser. All of the materials delivered or made available to the Purchaser by or on the Vendor's behalf either pursuant to this Agreement or otherwise, are originals or true copies, and comprise all materials in the possession and/or control of the Vendor, and do not contain any material misstatements, inaccuracies or omissions, and the Vendor is not aware of any material information or documentation with respect to the Owned Properties and the Assets that the Vendor has not disclosed to the Purchaser under this Agreement.
 - (d) There are no unregistered agreements in respect of the Owned Properties other than the Transferred Agreements, copies of which have been provided to the Purchaser.
 - (e) All payments on account of principal and interest required to be paid under the Mortgage have been paid to the date hereof, the Mortgage is in good standing and there are no outstanding defaults by or disputes between the charger and the chargee thereunder.

- (f) The Vendor has such legal rights of entry and exit to and from the Owned Properties as are reasonably necessary to carry on the Business substantially in the manner in which it is currently carried on.
- (g) The Owned Properties is fully serviced to permit the Business to be carried on as currently carried on. To the knowledge of the Vendor, all public roads and streets necessary for service of and access to the Owned Properties, both legal and physical, for the current or contemplated use thereof have been completed.
- (h) The Vendor has not entered into any agreement to sell, lease, transfer, encumber, or otherwise dispose of or impair its right, title and interest in and to the Owned Properties, including options to purchase and rights of first refusal, or rights or privileges capable of becoming an agreement to purchase, to purchase the Owned Properties, or the air, density and easement rights relating to the Owned Properties.
- (i) All municipal taxes, charges, rates, development charges, local improvement charges, special levies and assessments, school and water rates and charges that, if unpaid, would create a lien or charge on the Owned Properties, are paid in full and will, if necessary, be adjusted as of the Closing Date, other than those that are assumed by the Purchaser as part of the Assumed Obligations.
- (j) All accounts for work and services performed or materials placed or furnished upon or in respect of the Owned Properties will have been fully paid by the Closing Date and no Person shall be entitled to register a claim for lien against the Vendor's interest in the Owned Properties relating to such work, services or materials.
- (k) All Fixtures and Chattels have been fully paid for and are not now and shall not be on Closing subject to any Permitted Encumbrances;
- (l) There are no work orders or inspections outstanding against the Owned Properties and none of the Vendor has received a deficiency notice, request or written advice of any breach of any Applicable Laws in respect of the foregoing which could, if not corrected, become a work order or could require performance of work or expenditure of money to correct. Additionally, there are no outstanding inspections or requirements with respect to plumbing in respect of the Owned Properties including without limitation the requirement for the installation of back-flow prevention devices.
- (m) The Owned Properties is zoned to permit its current use and the Buildings comply in all material respects with the by-laws and building codes of the municipality in which they are situate. No part of the Owned Properties is subject to any building or use restriction

that would restrict or prevent the use and operation of the Owned Properties for its current use. The Vendor does not have any outstanding applications for a re-zoning of the Owned Properties and the Vendor is not aware of any proposed or pending change to any zoning affecting the Owned Properties.

- (n) The Buildings on the Lands are located wholly within the boundaries of such Lands. There are no encroachments affecting the Owned Properties which could affect the ability of the Vendor to carry on the operations of the Business as they have been carried on in the past or which in the aggregate detract from the value of the Owned Properties.
- (o) The Buildings, including the roofs and structural elements thereof, the mechanical, electrical, security, heating, cooling, sewer, drainage, well, pumping systems, septic and plumbing systems, and all equipment necessary for the operation thereof, are in good working condition and in good repair and maintenance.
- (p) All Permitted Encumbrances which are easements or registered agreements or restrictions in relation to the Owned Properties are in good standing and none of such Permitted Encumbrances requires the consent of any other party thereto with respect to the Closing. The Vendor, and, if relevant, each other Person who is a party thereto, has performed all obligations required to be performed by it thereunder and is not in breach or default in any respect thereunder nor has there occurred any event nor does there exist any condition which, in either case, with the giving of notice or the lapse of time, or both, would constitute such a breach or default.
- (q) All easements, rights-of-way and other similar appurtenant interests necessary for the continued use and operation of the Business are listed in Schedule 4.1.13(q) and none of such easements, rights-of-way or other interests requires the consent of any other party thereto with respect to the Closing.
- (r) Any rights-of-way/easements, if any, benefitting the Owned Properties are in good standing and there are no outstanding disputes in connection with the use of any such rights-of-way/easements benefitting the Owned Properties, if any.
- (s) There are no matters affecting the right, title and interest of the Vendor in and to the Owned Properties which, in the aggregate, would adversely affect the ability to carry on the Business upon the Owned Properties substantially in the manner in which such operations are currently carried on.

- (t) The Vendor has provided the Purchaser with all reports in their possession or control with respect to the condition of the Owned Properties, including environmental, structural and/or engineering reports.

4.1.14 *Environmental Matters.* Except as disclosed in Schedule 4.1.13(l):

- (a) The Vendor and the Owned Properties are and have been in compliance, in all material respects, with all Environmental Laws. There are no pending Claim or, to the knowledge of the Vendors, Threatened Claims pursuant to any Environmental Laws with respect to any of the Assets transferred pursuant to this Agreement. Neither the Vendor nor any of its directors or officers have been convicted of an offense for non-compliance with Environmental Laws, been fined or received a penalty for non-compliance with Environmental Laws or settled a lawsuit relating to non-compliance with Environmental Laws.
- (b) The Vendor has not received any directive, inquiry, notice, Order, warning or other communication from any Governmental Authority or other Persons that relates to any offence or failure or any non-compliance real, alleged or potential in connection with any Applicable Environmental Laws.
- (c) The Vendor has provided the Purchaser with copies of all documents and information in its possession or control relating to the existing environmental condition of the Owned Properties.

4.1.15 *Tax Matters*

- (a) The Vendor has filed or caused to be prepared and filed all Tax Returns required to be filed by it prior to the Closing Date with the appropriate Governmental Authorities and all such Tax Returns continue to be true and correct in all material respects.
- (b) The Vendor has paid all Taxes within the allotted timeframes, including all instalments on account of Taxes and tax instalments for the current fiscal year that are due and payable by it whether or not assessed by the appropriate Governmental Authority.
- (c) With respect to any period for which Tax Returns are not yet required to be filed or for which Taxes are not yet due and payable, the Vendor has only incurred liabilities for Taxes in the Ordinary Course.

4.1.16 *Employee Matters.* The Vendor is not a party to nor bound by any Collective Agreement or any agreements with a trade union by which the Purchaser could be bound by virtue of acquiring the Owned Properties. No trade union, council of trade unions, employee bargaining agency or affiliated bargaining agent holds bargaining rights with respect to any of the Employees by way of

certification, interim certification, voluntary recognition, or successor rights, or has applied or threatened to apply to be certified as the bargaining agent of any of the Employees. There are no Employees for whom the Purchaser will incur any liabilities whatsoever as a result of the purchase of the Owned Properties.

- 4.1.17 *Intellectual Property Rights.* No Claim has been filed alleging that the activities, products and services of the Vendor infringe the intellectual property of any third party.
- 4.1.18 *Computer Systems and Software.* The Vendor has obtained all requisite rights from third parties to enable it to make use of the computer system and software, except for the licences or other rights which, in the aggregate, will not cause a Material Adverse Change.
- 4.1.19 *Insurance.* To the knowledge of the Vendor, the Vendor is not in default under any provision of any such policy and has not received a notice of cancellation or non-renewal of any such policy, and no deliberately false or misleading statement has been made by the Vendor in a request to underwrite an insurance policy. The Vendor shall continue in force and in good standing all policies of insurance maintained by the Vendor in respect of the Owned Properties and shall present all claims under such policies in a due and timely manner.
- 4.1.20 *No Broker.* Except as disclosed in Schedule 4.1.20, the Vendor has no liability of any kind to any broker, agent or any similar Person for or on account of the transactions provided for herein. The Vendor shall assume all commission disclosed in Schedule 4.1.20 to the entire exoneration of the Purchaser, except to the extent that all or part of such commission is included in the Assumed Liabilities.
- 4.1.21 *Leases.* On Closing, there shall be no leases, agreements to lease, licenses, occupancy agreements or other agreements of any kind pursuant to which any Person or entity has a right to use or occupy the Owned Properties or any part thereof.

SCHEDULE 4.2

REPRESENTATIONS AND WARRANTIES OF PURCHASER

Representations of the Purchaser

4.2.1 *Organization*

- (a) The Purchaser has been duly constituted and is validly subsisting. The Purchaser has all corporate or legal powers and authority to own its assets and carry on its business as currently owned and carried on.
- (b) No resolution has been adopted providing for the dissolution or winding-up of the Purchaser. The Purchaser has neither authorized nor undertaken any procedure, and, to the knowledge of the Purchaser, no one has authorized or undertaken any procedure, contemplating the bankruptcy, insolvency, liquidation or winding up of the Purchaser or any merger, amalgamation, arrangement or restructuring thereof.

4.2.2 *Authority and No Violation*

- (a) This Agreement has been duly executed by the Purchaser and constitutes legal, valid and binding obligations, enforceable against the Purchaser in accordance with its terms, subject to bankruptcy, insolvency and other similar Applicable Laws affecting creditors' rights generally.
- (b) The execution by the Purchaser of this Agreement, the performance by the Purchaser of its obligations hereunder and the completion of the transactions provided for herein, will not result in a material breach of any provision of its articles and by-laws or of any Applicable Laws.

4.2.3 *Approvals and Consents.* Other than the Exchange Approval, no consent, approval, notice, Order, authorization, filing or permit is necessary or otherwise required to be obtained by the Purchaser from any Governmental Authority or other Person in connection with the execution and delivery of this Agreement or the consummation by the Purchaser of the transactions contemplated hereby.

4.2.4 *No Broker.* The Purchaser does not have any liability of any kind to any broker, intermediary, agent or any similar Person for or on account of the transactions provided for herein.

Schedule Error! Reference source not found.

**EXCLUDED ASSETS
PERSONAL PROPERTY OF MR. CHITARONI**

[Information Redacted]

SCHEDULE 3.3
ASSUMED OBLIGATIONS

[Information Redacted]

SCHEDULE 3.5

ALLOCATION OF THE PURCHASE PRICE

[Information Redacted]