BUSINESS COMBINATION AGREEMENT

AMONG

HAKKEN CAPITAL CORP.

AND

ESHBAL FUNCTIONAL FOOD (AGRICULTURAL COOPERATIVE) LTD.

AND

THE UNITHOLDERS OF
ESHBAL FUNCTIONAL FOOD (AGRICULTURAL COOPERATIVE) LTD.

May 28, 2024

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BUSINESS COMBINATION AGREEMENT

THIS AGREEMENT is made as of the 28th day of May, 2024 (the "**Agreement Date**").

BETWEEN:

HAKKEN CAPITAL CORP., a corporation existing under the laws of the Province of British Columbia and having an office 4626 Lockehaven Place, North Vancouver, BC, V7G 2B8

(hereinafter referred to as "**Hakken**")

AND:

ESHBAL FUNCTIONAL FOODS (AGRICULTURAL COOPERATIVE) LTD., an agricultural cooperative existing under the laws of Israel (cooperative number 570041889) and having an office at Kibbutz Ma'anit, 3785500, Israel

(hereinafter referred to as "**ESHBAL**")

AND:

THE UNITHOLDERS OF ESHBAL, as set out in Schedule "A"

(hereinafter referred to as the "**ESHBAL Holders**")

(the above Parties being collectively referred to as the "**Parties**" and individually as a "**Party**").

WHEREAS:

A. Hakken and ESHBAL entered into a letter of intent dated December 28, 2023 (the "**Letter of Intent**") concerning a proposed transaction to effect a business combination pursuant to which the business and assets of Hakken are to be combined with those of ESHBAL so that such combination constitutes the Qualifying Transaction (as herein defined) of Hakken within the meaning of the CPC Policy (as defined herein);

B. Hakken is a Capital Pool Company within the meaning of the CPC Policy;

C. Prior to the Agreement Date, Hakken, with the assistance of professional advisors, has had access to a data room of ESHBAL, commenced the Hakken Due Diligence (as defined below), and has had the opportunity to submit due diligence questions to and to receive answers from ESHBAL and the ESHBAL Holders in relation to ESHBAL and its business;

D. The Parties intend to effect the Transaction (as herein defined) by way of an acquisition by Hakken of 100% beneficial ownership of the ESHBAL New Units (as defined herein), which immediately following said acquisition, shall constitute all of the outstanding ESHBAL Units, in exchange for the issuance of the Consideration Shares (as defined herein) by Hakken to the ESHBAL Holders, on the terms and conditions set out in this Agreement; and

E. Following completion of the Transaction, ESHBAL will be a wholly-owned subsidiary of Hakken and the business of ESHBAL will be the business of Hakken as the Resulting Issuer.

NOW THEREFORE, THIS AGREEMENT WITNESSES that in consideration of the premises and the mutual covenants, representations and warranties given by each of the Parties to the others, the receipt and sufficiency of which are hereby expressly acknowledged, the Parties do hereby agree as follows:

1 DEFINITIONS

1.1 Defined Terms

In this Agreement, including in the Schedules attached hereto, unless the context otherwise requires, the following words and expressions will have the following meanings:

(a) "**103 Agent**" means IBI Trust Management, a paying agent appointed by ESHBAL under a paying agent agreement, in accordance with the provisions of the Pre-Ruling;

(b) "**Agreement**" means this business combination agreement as amended in writing from time to time;

(c) "**Agreement Date**" means the effective date of this Agreement as first set out above;

(d) "**Alternative Transaction**" has the meaning ascribed to it in Section 4.1(k) of this Agreement;

(e) "**Applicable Laws**" means all statutes, codes, ordinance, regulations, statutory rules, published policies, published guidelines and terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity, and the term "applicable" with respect to such Laws, and in the context that refers to one or more Persons, means that such Applicable Laws apply to such Person or Persons or its or their business, undertaking, property or securities and emanate from a Governmental Entity having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities (all references herein to a specific statute being deemed to include all applicable rules, regulations, rulings, orders and forms made or promulgated under such statute and the published policies and published guidelines of the Governmental Entity administering such statute) and shall include the published rules and TSXV Policies;

(f) "**Assignee(s)**" has the meaning ascribed to it in Section 2.1(f) of this Agreement;

(g) "**BCBCA**" means the *Business Corporations Act* (British Columbia), as amended from time to time;

(h) "**Business Day**" means a day which is not a Saturday, Sunday or a day observed as a statutory holiday in the Province of British Columbia or a day on which the banks in Tel Aviv, Israel are generally not open for business;

(i) "**Cash Payment**" has the meaning ascribed to it in Section 2.1(g) of this Agreement;

(j) "**Closing**" means the completion of Transaction;

(k) "**Closing Date**" has the meaning ascribed to it in Section 2.2 of this Agreement;

(l) "**Closing Time**" has the meaning ascribed to it in Section 2.2 of this Agreement;

(m) "**Competition Law**" means the Israeli *Economic Competition Law – 1988*;

(n) “**Confidential Information**” has the meaning ascribed to it in Section 9.1(a) of this Agreement;

(o) “**Consideration Shares**” means 49,000,000 Hakken Shares issued at a deemed price of $0.25 per Hakken Share. For illustrative purposes only, **Schedule B** attached to this Agreement sets out the anticipated share capitalization of Hakken, on a Fully Diluted Basis, immediately following the Closing;

(p) “**Contract**” means any written contract, agreement, license, franchise, lease, arrangement or other enforceable right or binding obligation;

(q) “**Contractual Escrow**” has the meaning ascribed to it in Section 6.3(l) of this Agreement;

(r) “**Contributor**” has the meaning ascribed to it in Section 5.1(w)(xiii) of this Agreement;

(s) “**Contributor Agreements**” has the meaning ascribed to it in Section 5.1(w)(xiii) of this Agreement;

(t) “**Cooperative Association Ordinance**” means the Israeli *Cooperative Association Ordinance*;

(u) “**Cooperative Association Ordinance (Membership)**” means the Israeli *Cooperative Association Ordinance (Membership) – 1973*;

(v) **“Corporate Finance Fee”** means a fee of $250,000 payable by the issuance of Hakken Shares at Closing at the issue price equal to the per share offering price of the Hakken Financing, plus applicable taxes, if any, payable to Haywood Securities Inc. in connection with the Transaction;

(w) “**CPC Policy**” means Policy 2.4 – *Capital Pool Companies* of the TSXV;

(x) “**EBITDA**” means for any period, earnings before interest, tax, depreciation, and amortization, in each case as determined on a consolidated basis for the Resulting Issuer and its Subsidiaries applied in a manner consistent with the ESHBAL Filing Statement Financial Statements.

(y) “**Employee Plans**” means, with respect to Hakken or ESHBAL, all employee benefit, fringe benefit, supplemental unemployment benefit, bonus, incentive, profit sharing, termination, change of control, pension, retirement, stock option, stock purchase, stock appreciation, stock award, health, welfare, medical, dental, disability, life insurance and similar plans, programmes, arrangements or practices relating to the current or former directors, officers, or employees of such Party and its Subsidiaries, maintained, funded or sponsored or required to be contributed to by the such Party or its Subsidiaries, whether written or oral, funded or unfunded, insured or self-insured, registered or unregistered, under which such Party or its Subsidiaries may have or would be reasonably expected to have any material liability, contingent or otherwise, except for any statutory plans or plans administered pursuant to applicable federal or provincial health, worker’s compensation or employment insurance legislation;

(z) “**Encumbrance**” means any mortgage, pledge, assignment, charge, lien, claim, Security Interest, adverse interest, other third person interest or encumbrance of any kind, whether contingent or absolute and any agreement, option, right or privilege (whether by law, Contract or otherwise) capable of becoming any of the foregoing;

(aa) "**Environmental Law**" means any applicable Law, and any Governmental Order or binding agreement with any Governmental Authority and all legal requirements (including any federal, state, local, municipal, foreign, or other law, statute, constitution, resolution, ordinance, code, edict, decree, rule, regulation, ruling, or requirement issued, enacted, adopted, or otherwise put into effect by or under the authority of any Governmental Authority), by-laws, orders, instruments, directives, decisions, injunctions, and judgments of any government or executive, administrative, judicial, or regulatory authority or agency relating to the protection of the environment or of human health, safety, or welfare or to the manufacture, formulation, processing, treatment, storage, containment, labeling, handling, transportation, distribution, recycling, reuse, release, disposal, removal, remediation, abatement, or clean-up of any contaminant and any amendment thereto and any and all regulations, orders, and notices made or served thereunder or pursuant thereto: (a) relating to pollution (or the cleanup thereof) or the protection of natural resources, endangered or threatened species, human health or safety, or the environment (including ambient or indoor air, soil, surface water or groundwater, or subsurface strata); or (b) concerning the presence of, exposure to, or the management, manufacture, use, containment, storage, recycling, reclamation, reuse, treatment, generation, discharge, transportation, processing, production, disposal or remediation of any Hazardous Materials, which is applicable to the business of ESHBAL and its Subsidiaries at or prior to the Closing and is in effect at or prior to the Closing;

(bb) "**Environmental Permit"** means any permit, letter, clearance, consent, waiver, closure, exemption, decision or other action required under or issued, granted, given, authorized by, or made pursuant to any Environmental Law;

(cc) "**Escrow Agent**" has the meaning ascribed to it in Section 6.2(q) of this Agreement;

(dd) "**Escrow Agreement**" means the escrow agreement substantially in the form of TSXV Form 5D – *Escrow Agreement* to be entered into by certain Persons required by the TSXV receiving the Consideration Shares, Hakken and an escrow agent, to be mutually agreed by Hakken and the Representative, with respect to the Hakken Shares to be issued pursuant to this Agreement;

(ee) "**ESHBAL Corporate Conversion**" has the meaning ascribed to it in Section 4.1(t) of this Agreement;

(ff) "**ESHBAL Current Financial Statements**" means the audited annual financial statements of ESHBAL as at and for the fiscal years ended December 31, 2021, including the notes thereto and the auditor's report thereon, and the unaudited financial statements of ESHBAL for the fiscal year ended December 31, 2022 and the management report of 2023, including the notes thereto, prepared in accordance with Israeli GAAP;

(gg) "**ESHBAL Disclosure Letter**" means the disclosure letter of ESHBAL provided to Hakken in connection with this Agreement;

(hh) "**ESHBAL Due Diligence**" has the meaning ascribed to it in Section 4.1(d);

(ii) "**ESHBAL Filing Statement Financial Statements**" means the audited annual financial statements of ESHBAL as at and for the fiscal years ended December 31, 2023 and 2022, including the notes thereto and the auditor's report thereon, and if the Filing Statement is finalized and filed after May 31, 2024, the unaudited interim financial statements for the three months ended March 31, 2024 and 2023, including the notes thereto and reviewed by the auditor of ESHBAL, prepared in accordance with IFRS and in compliance with National Instrument 52-107 *Acceptable Accounting Principals and Auditing Standards*;

(jj) "**ESHBAL Holders Loan**" means loans provided to ESHBAL by certain ESHBAL Holders, as set forth in **Schedule C** to this Agreement;

(kk) "**ESHBAL IT Systems**" means all software, computer hardware, servers, networks, platforms, peripherals, and similar or related items of automated, computerized, or other information technology (IT) networks and systems (including telecommunications networks and systems for voice, data, and video) owned, leased, licensed, or used (including through cloud-based or other third-party service providers) by ESHBAL;

(ll) "**ESHBAL New Units**" means the ESHBAL Units to be issued to Hakken at Closing;

(mm) "**ESHBAL Units**" means the participation units in the capital of ESHBAL, each with a par value of NIS 1;

(nn) "**Existing Facility**" means the ESHBAL line of credit in the First International Bank of Israel, as set forth in Schedule F to this Agreement;

(oo) "**Filing Statement**" means the Filing Statement of Hakken, on TSXV Form 3B2 – *Information Required in a Filing Statement for a Qualifying Transaction*, and filed on SEDAR+;

(pp) "**Finder's Fee**" means fee of $500,000 payable by the issuance of Hakken Shares at Closing at the issue price equal to the per share offering price of the Hakken Financing, plus applicable taxes, if any, payable to a certain finder in connection with the Transaction;

(qq) "**Fully Diluted Basis**" means the number of issued and outstanding equity securities of an entity after giving effect to the exercise, exchange and/or conversion of all outstanding convertible securities (including, but not limited to, options, warrants, convertible debt, and all other rights, whether in written form or otherwise) convertible, exchangeable or exercisable into equity securities of such entity;

(rr) "**Governmental Authority**" means, with respect to Canada, Israel or any other jurisdiction that is applicable to the Parties, any (i) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, agency, domestic or foreign (including a stock exchange recognized in Canada); (ii) any subdivision, agent, commission, board or authority of any of the foregoing; or (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

(ss) "**Hakken Board**" means the board of directors of Hakken as the same is constituted from time to time;

(tt) "**Hakken Constating Documents**" means the Certificate of Incorporation, Notice of Articles and Articles of Hakken;

(uu) "**Hakken Due Diligence**" has the meaning ascribed to it in Section 4.2(d) of this Agreement;

(vv) "**Hakken Financial Statements**" means the financial statements, including the notes thereto, included in the Hakken Public Record;

(ww) "**Hakken Financing**" means the private placement of Hakken Shares and/or units of Hakken securities (or subscription receipts convertible into Hakken Shares or units, in compliance with the CPC Policy) at an effective offering price not less than $0.25 per Hakken Share (or unit) for aggregate minimum net proceeds of $1,750,000 and maximum net proceeds of $3,500,000, which closing thereof is a condition to the Closing of the Transaction;

(xx) "**Hakken Meeting Materials**" has the meaning ascribed to it in Section 4.2(k) of this Agreement;

(yy) "**Hakken Option Plan**" means the rolling share option plan of Hakken dated for reference June 14, 2019, as amended March 18, 2022, and December 7, 2022, and any subsequent share option plan adopted by the Resulting Issuer in connection with the Transaction, such plan providing for the reservation for issuance of up to 10% of the outstanding Hakken Shares upon exercise of Hakken Options;

(zz) "**Hakken Options**" means all options to purchase Hakken Shares issued by Hakken pursuant to the Hakken Option Plan, of which 660,000 Hakken Options are outstanding as at the Agreement Date;

(aaa) "**Hakken Public Record**" means all documents and information filed by Hakken under applicable Securities Laws on SEDAR+, during the period commencing on June 19, 2019 and ending at the Closing Date, which are publicly available as of the Agreement Date or as of the Closing Date;

(bbb) "**Hakken Shareholders**" means the registered and/or beneficial holders of Hakken Shares, at the applicable time;

(ccc) "**Hakken Shares**" means the common shares in the capital of Hakken;

(ddd) "**Hazardous Materials**" means (a) any material, substance, chemical, waste, product, derivative, compound, mixture, solid, liquid, mineral or gas, in each case, whether naturally occurring or manmade, that is hazardous, acutely hazardous, toxic, or words of similar import or regulatory effect under Environmental Laws; and (b) any petroleum or petroleum-derived products, radon, radioactive materials or wastes, asbestos in any form, lead or lead-containing materials, urea formaldehyde foam insulation and polychlorinated biphenyls, which (a) or (b) is regulated or classified under any Environmental Law;

(eee) "**IFRS**" means International Financial Reporting Standards as issued by the International Accounting Board;

(fff) "**Insurance Policies**" has the meaning ascribed to it in Section 5.1(r) of this Agreement;

(ggg) "**Intellectual Property**" means domestic and foreign (i) patents, applications for patents and reissues, divisions, continuations, renewals, extensions, and continuations-in-part of patents and patent applications; (ii) proprietary and non-proprietary business information, including inventions, improvements, trade secrets, know-how, methods, processes, designs, technology, technical data and documentation relating to any of the foregoing; (iii) trade-marks (both registered and unregistered), trade names, business names, corporate names, domain names, website names and website addresses, trade dress and logos, and the goodwill associated with any of the foregoing; (iv) copyrights, copyright registrations and applications for copyright registrations; and (v) any other proprietary information or intellectual property;

(hhh) "**Israeli GAAP**" means generally accepted accounting principals as applied in Israel;

(iii) "**Liability**" means any debts, liabilities, indebtedness and obligations whether accrued, absolute or contingent, matured or unmatured or determined or determinable;

(jjj) "**Material Adverse Effect**" means, with respect to Hakken or ESHBAL, a material adverse change in or effect on the business, operations, financial condition, properties or liabilities of such Party and its Subsidiaries, taken as a whole, but does not include (i) changes as a result of the announcement of the Transaction, (ii) events or conditions arising from changes in general business or economic conditions, (iii) changes in Applicable Laws and generally accepted accounting principles;

(kkk) "**Material Contracts**" means any Contract to which either Hakken or ESHBAL (each being the "**Company**", as the context requires) or any of Company's Subsidiaries is a party or bound or to which any of their respective assets are subject:

(i) which, if terminated or modified or if it ceased to be in effect, would reasonably be expected to have a Material Adverse Effect on the Company;

(ii) under which the Company or any of its Subsidiaries has directly or indirectly guaranteed any liabilities or obligations of a third party (other than ordinary course of business endorsements for collection) in excess of $100,000 in the aggregate;

(iii) relating to indebtedness for borrowed money, whether incurred, assumed, guaranteed or secured by any asset, with an outstanding principal amount in excess of $100,000;

(iv) under which the Company or any of its Subsidiaries is obligated to make or expects to receive payments in excess of $100,000 over the remaining term of the Contract;

(v) that limits or restricts the Company or any of its Subsidiaries from engaging in any line of business or any geographic area in any material respect or that limits or restricts in any material respect the ability of the Company or any of its Subsidiaries to solicit any customers or clients of other parties thereto;

(vi) which relates to any material partnership, limited liability company agreement, joint venture, alliance agreement or similar agreement or arrangement;

(vii) entered into in the past 12 months or in respect of which the applicable transaction has not yet been consummated for the acquisition or disposition, directly or indirectly (by amalgamation, merger or otherwise) of assets, capital stock or other equity interests of another Person for aggregate consideration in excess of $100,000;

(viii) which is still in force and has been filed by the Company with securities commissions or authorities as a Material Contract;

(ix) with any Governmental Authority;

(x) for the purchase by the Company or any of its Subsidiaries of materials, supplies, products or services under which such supplier is a sole source supplier;

(xi) providing for the payment of any commission based on sales, other than to employees of the Company or any of its Subsidiaries in excess of $100,000 over a three-month period; or

(xii) between the Company or any of its Subsidiaries, on the one hand, and any Shareholder or any of their respective officers or directors;

(lll) "**Material Customers"** has the meaning ascribed to it in Section 5.1(dd)(i) of this Agreement;

(mmm) "**Material Fact**" has the meaning ascribed thereto in the Securities Act;

(nnn) "**Material Suppliers**" has the meaning ascribed to it in Section 5.1(dd)(ii) of this Agreement;

(ooo) "**Misrepresentation**" has the meaning ascribed thereto in the Securities Act;

(ppp) **"Name Change"** means the change of the name of Hakken to "ESHBAL Functional Food Inc." or such other name as may be determined in the sole discretion of the Representative, subject to Applicable Laws and TSXV Policies;

(qqq) "**Ordinary course of business**", "**ordinary course of business consistent with past practice**", or any similar reference, means, with respect to an action taken by a Person, that such action is consistent with the past practices of such Person and is taken in the ordinary course of the normal day-to-day business and operations of such Person;

(rrr) "**Parties**" means all parties to this Agreement;

(sss) "**Party**" means a party to this Agreement;

(ttt) "**Performance Shares**" means up to 16,000,000 Hakken Shares issuable upon exercise of the Performance Warrants;

(uuu) "**Performance Warrants**" means warrants issuable to ESHBAL Holders to acquire Performance Shares upon the attainment of certain milestones as more particularly described in Section 3.2 of this Agreement;

(vvv) "**Permitted Encumbrances**" means statutory liens for Taxes that are not yet due and payable as of the Closing Date or liens for Taxes being contested in good faith by any appropriate proceedings for which adequate reserves have been established, and any liens existing pursuant to the Existing Facility;

(www) "**Person**" means a natural person, partnership, limited partnership, limited liability partnership, corporation, cooperative, limited liability corporation, unlimited liability company, joint share company, trust, unincorporated association, joint venture or other entity or Governmental Authority;

(xxx) "**Pre-Ruling**" has the meaning ascribed to it in Section 6.1(g) of this Agreement;

(yyy) "**Pro Rata Portion**" means, with respect to each ESHBAL Holder, the percentage reflecting such ESHBAL Holder's *pro rata* share of ESHBAL Units, as set opposite the name of such ESHBAL Holder in **Schedule A** to this Agreement;

(zzz) "**Qualifying Transaction**" has the meaning ascribed thereto in the CPC Policy;

(aaaa) "**Registrar of Cooperatives**" means the Registrar of Cooperative Societies, as set forth in Article 3 of the Israeli Cooperative Association Ordinance;

(bbbb) "**Regulatory Approval**" means any approval, consent, waiver, permit, order or exemption from any Governmental Authority having jurisdiction or authority over any Party or any Subsidiary of a Party which is required or advisable to be obtained in order to permit the Transaction to be effected; and "**Regulatory Approvals**" means all such approvals, consents, waivers, permits, orders or exemptions;

(cccc) "**Representative**" has the meaning ascribed to it in Section 14.11 of this Agreement;

(dddd) "**Resulting Issuer**" means the resulting issuer after completion of the Transaction;

(eeee) "**Resulting Issuer Directors**" means the board of directors of Hakken to be appointed concurrently with the completion of the Transaction, to consist of up to seven (7) members as set out in Section 3.3(c) of this Agreement;

(ffff) "**Sanctions**" has the meaning ascribed to it in Section 5.1(ee) of this Agreement;

(gggg) "**Securities Act**" means the *Securities Act* (British Columbia), as amended;

(hhhh) "**Securities Laws**" means the Securities Act, together with all other applicable Canadian provincial securities laws, rules and regulations and published policies thereunder, as now in effect and as they may be promulgated or amended from time to time;

(iiii) "**Security Interest**" includes a mortgage, debenture, charge, lien, pledge, assignment or deposit by way of security, bill of sale, lease, hypothecation, hire purchase, credit sale, agreement for sale on deferred terms, caveat, claim, covenant, interest or power in or over an interest in an asset and any agreement or commitment to give or create any such security interest or preferential ranking to a creditor including set off;

(jjjj) "**SEDAR+**" means the System for Electronic Document Analysis and Retrieval;

(kkkk) "**Signatory Rights**" means the signatory rights of Hakken that will come into force upon the Closing of the Transaction, a copy of which is attached hereto as Schedule "E";

(llll) "**Subsidiary**" or "**Subsidiaries**" has the meaning ascribed thereto in the BCBCA, as amended from time to time;

(mmmm) "**Tax**" and "**Taxes**" will mean all taxes, charges, fees, levies or other similar assessments or liabilities, including income, gross receipts, ad valorem, premium, value-added, excise, real property, personal property, sales, use, transfer, withholding, employment, unemployment, insurance, social security, business license, business organization, environmental, workers compensation, payroll, profits, license, lease, service, service use, severance, stamp, occupation, windfall profits, customs, duties, franchise and other taxes imposed by Canada, Israel or any state, provincial, local or foreign government, or any agency thereof, or other political subdivision of Canada or Israel or any such government, and any interest, fines, penalties, assessments or additions to tax (including interest on any such interest, fines, penalties, assessments or additions) resulting from, attributable to or incurred in connection with any tax or any contest or dispute thereof;

(nnnn) "**Tax Authority**" means the Canada Revenue Agency, the Israel Tax Authority and any other domestic (whether state, provincial or local) or foreign Governmental Authority responsible for the administration or collection of any Taxes;

(oooo) "**Tax Return**" means any return, election, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof;

(pppp) "**Termination Date**" means June 30, 2024, which is the date by which the Closing must occur, or such later date as may be mutually agreed by the Hakken and the Representative;

(qqqq) "**Transaction**" means the transactions contemplated by this Agreement;

(rrrr) "**TSXV**" means the TSX Venture Exchange;

(ssss) "**TSXV Policies**" means the applicable policies of the TSXV.

In addition, words and phrases used but not defined herein and defined in the BCBCA shall have the same meaning herein as in the BCBCA unless the context otherwise requires.

1.2 Schedules

The following schedules attached hereto constitute a part of this Agreement:

Schedule A - The ESHBAL Holders and ESHBAL Units

Schedule B - Hakken Pre and Post Closing Capitalization Table

Schedule C - ESHBAL Holders Loan

Schedule D - Existing Facility

Schedule E – Signatory Rights

Schedule F - Hakken Material Contracts

1.3 Headings

The headings in this Agreement are for reference only and do not constitute terms of this Agreement.

1.4 Interpretation

Unless the context of this Agreement otherwise requires, to the extent necessary so that each clause will be given the most reasonable interpretation, the singular number will include the plural and vice versa, the verb will be construed as agreeing with the word so substituted, words importing the masculine gender will include the feminine and neuter genders, words importing persons will include firms and corporations and words importing firms and corporations will include individuals.

1.5 Currency

Unless otherwise stated, all references to money in this Agreement will be deemed to be references to the currency of Canada.

1.6 Knowledge

Whenever in this Agreement a representation and warranty is qualified by the statement "to the knowledge" of a Person or any similar statement, that statement will mean that such Person will be deemed to have "Knowledge" of a particular fact or matter if such Person or any of its officers or directors (provided that with respect to ESHBAL, solely Yuval Levy and Tomer Bar Meir), is actually aware of such fact or matter or if such Person should have discovered or become aware in the ordinary course of performing their respective duties or after making reasonable inquiry.

1.7 Statutory References

Any reference in this Agreement to a statute includes all rules and regulations made thereunder, all amendments to that statute or the rules and regulations made thereunder in force from time to time, and any statute or rule or regulation that supplements or supersedes that statute or the rules or regulations made thereunder.

2 BUSINESS COMBINATION

2.1 Transactions subject to the terms and conditions of this Agreement:

(a) each of the ESHBAL Holders hereby agrees to tender on the Closing Date to ESHBAL for redemption and cancellation all of the ESHBAL Units owned by such ESHBAL Holder for no consideration at the Closing**;**

(b) ESHBAL hereby agrees to redeem and cancel all ESHBAL Units held by the ESHBAL Holders for no consideration immediately prior to the Closing;

(c) ESHBAL hereby agrees to issue and deliver, free and clear of all Encumbrances (other than restrictions on transfer contained in ESHBAL's articles of association and the restrictions on transfer which apply pursuant to Applicable Law), to Hakken, on the Closing Date, ESHBAL New Units (to be issued at par value, i.e. NIS 1 per each ESHBAL New Unit), being 100% of the issued and outstanding capital of ESHBAL, on a Fully Diluted Basis;

(d) As consideration for the redemption by the ESHBAL Holders of their ESHBAL Units and the issuance by ESHBAL of the ESHBAL New Units to Hakken, Hakken will issue, on the Closing Date, the Consideration Shares to the ESHBAL Holders, such Consideration Shares to be issued as fully paid and non-assessable shares in the capital of Hakken, free and clear of any Encumbrance (other than any restrictions pursuant to Section 2.3 of this Agreement), and duly listed for trading on the TSXV;

(e) Hakken shall not be required to issue any fractional Consideration Shares and, in the case that the fraction is below or equal to a half of a share, the fractional Consideration Shares will be rounded down to the nearest whole number, and in the case that the fraction is above a half share, the fractional Consideration Share will be rounded up to the nearest whole number;

(f) If required pursuant to Applicable Law and the ESHBAL Corporate Conversion process, Hakken will assign one (1) ESHBAL New Unit to ESHBAL Trading Ltd. (the "**Assignee(s)**") as is required in order to comply with the regulatory requirements of Israel, including but not limited to the Cooperative Association Ordinance, and in compliance with Applicable Laws;

(g) Each of the ESHBAL Holders acknowledge and confirm that, upon completion of the redemption and cancellation of their ESHBAL Units pursuant to the terms of this Agreement, (i) each ESHBAL Holder shall have assigned all of its rights as a security holder of ESHBAL, and (ii) all rights with respect to the ESHBAL Units held by such ESHBAL Holder, including, without limitation, any rights to dividends, distributions, receipt of notices and voting shall immediately cease and terminate on the Closing Date, except the right of such ESHBAL Holder to receive (i) the Consideration Shares and the Performance Warrants (and the underlying Performance Shares) as contemplated in this Agreement, (ii) the ESHBAL Holders Loan, and (iii) a cash sum equal to ESHBAL's consolidated net profits for fiscal years ended December 31, 2022 and 2023 and up to and immediately prior to the Closing Date (the "**Cash Payment**"), it being clarified that the Cash Payment shall be allocated prior to the Closing Date among the ESHBAL Holders based on their respective Pro Rata Portion; and

(h) ESHBAL and the ESHBAL Holders agree to the foregoing, and further agree to take all necessary corporate actions required for the completion thereof.

2.2 Closing

The Transaction will be completed on the date that is two (2) Business Days after the Parties have satisfied or waived all of the conditions set out in Section 6.1 of this Agreement (other than conditions to be satisfied on the Closing Date, unless waived) (the "**Closing Date**"), at 9:00 a.m. (Vancouver time) (the "**Closing Time**").

2.3 Exemptions and Hold Period

(a) The Parties acknowledge that the issuance of the Consideration Shares by Hakken to the ESHBAL Holders is being made pursuant to an exemption from the prospectus requirements of applicable Securities Laws pursuant to National Instrument 45-106 – *Prospectus Exemptions*.

(b) The Parties acknowledge that the Consideration Shares issuable to ESHBAL Holders may be subject to Canadian resale restrictions under Applicable Laws, escrow restrictions pursuant to the TSXV Policies, and in addition the Consideration Shares may also be subject to additional hold periods imposed by laws applicable to an ESHBAL Holder in the jurisdiction in which such ESHBAL Holder resides. The certificates representing the Consideration Shares may contain legends denoting the restrictions on transfer imposed by the applicable securities laws, if any.

3 NAME CHANGE, BOARD AND MANAGEMENT OF THE RESULTING ISSUER AND ISSUANCE OF PERFORMANCE WARRANTS

3.1 Name Change

On or before the Closing Date, Hakken shall effect the Name Change in accordance with BCBCA and make all necessary corporate actions and filings with the British Columbia Registrar of Companies to amend the Hakken Constating Documents to reflect the Name Change. Immediately following the Closing, Hakken shall amend the Hakken Constating Documents to reflect the reconstitution of the Resulting Issuer board of directors.

3.2 Performance Warrants

(a) At Closing, Hakken will issue to the ESHBAL Holders pursuant to the Pro Rata Portion 16,000,000 Performance Warrants that will be automatically exercisable for no additional consideration for up to 16,000,000 Performance Shares upon and subject to the attainment of the milestones set out below prior to the date that is 60 months following the Closing Date, as follows:

(i) 5,600,000 Performance Warrants will be automatically exercisable for no additional consideration for 5,600,000 Performance Shares within 10 Business Days after the date the Resulting Issuer publishes audited financial statements of the Resulting Issuer in accordance with Securities Laws that disclose that the Resulting Issuer has achieved annualized Gross Revenues (as defined under IFRS, on a consolidated basis for the Resulting Issuer and its Subsidiaries**)** of at least $17 million with EBITDA for such period equal to at least 3% of Gross Revenues for such period**;**

(ii) 5,600,000 Performance Warrants will be automatically exercisable for no additional consideration for 5,600,000 Performance Shares within 10 Business Days after the date the Resulting Issuer publishes audited financial statements of the Resulting Issuer in accordance with Securities Laws that disclose that the Resulting Issuer has achieved annualized Gross Revenues (as defined under IFRS, on a consolidated basis for the Resulting Issuer and its Subsidiaries**)** of at least $20 million with EBITDA for such period equal to at least 4% of Gross Revenues for such period**;** and

(iii) 4,800,000 Performance Warrants will be automatically exercisable for no additional consideration for 5,600,000 Performance Shares within 10 Business Days after the date the Resulting Issuer publishes audited financial statements of the Resulting Issuer in accordance with Securities Laws that disclose that the Resulting Issuer has achieved annualized Gross Revenues (as defined under IFRS, on a consolidated basis for the Resulting Issuer and its Subsidiaries**)** of at least $25 million with EBITDA for such period equal to at least 5% of Gross Revenues for such period.

(b) The Parties acknowledge that the Performance Warrants and underlying Performance Shares issuable to ESHBAL Holders may be subject to Canadian resale restrictions under Applicable Laws, escrow restrictions pursuant to the TSXV Policies, and in addition the Performance Warrants and underlying Performance Shares may also be subject to additional hold periods imposed by laws applicable to an ESHBAL Holder in the jurisdiction in which such ESHBAL Holder resides. The certificates representing the Performance Warrants and underlying Performance Shares may contain legends denoting the restrictions on transfer imposed by the applicable securities laws, if any.

3.3 **Board and Management**

(a) At Closing, each of the directors and officers of Hakken shall have executed a resignation and release from all positions with Hakken, including from the Hakken Board (other than David Eto, who shall resign from all officer positions with Hakken but shall remain as a director of Hakken), effective as of the Closing, in a form satisfactory to ESHBAL, acting reasonably.

(b) Subject to approval of the TSXV, immediately after the Closing, Hakken shall cause the Resulting Issuer board of directors to consist of seven (7) directors, five (5) of whom shall be nominated by ESHBAL (which shall include two (2) independent directors) and two (2) of whom shall be nominated by Hakken (which shall include David Eto and one (1) independent director).

(c) Hakken will take such actions to appoint or elect, effective immediately after the Closing, the following directors and officers of the Resulting Issuer, subject to such additions or replacements as ESHBAL may determine:

Name	**Position**
Tomer Bar Meir	CEO
Yuval Levy	Director (Chairman)
Tamir Dagan	Director
David Bar Meir	Director
Danit Kochva	CFO and Secretary
Iftach Ifhar	Independent Director
Sokhie Puar	Independent Director
David Eto	Director (Hakken Nominee)
Nancy Goertzen	Independent Director (Hakken Nominee)

4 COVENANTS

4.1 Covenants of ESHBAL

Until the earlier of the completion of the Transaction on the Closing Date or the day upon which this Agreement is terminated in accordance with Section 10, ESHBAL hereby convents and agrees with Hakken (and the ESHBAL Holders hereby agree to all of the below undertakings of ESHBAL) that it will:

(a) use commercially reasonable efforts to ensure that all of the representations and warranties of ESHBAL contained in this Agreement remain true and correct in all material respects and not do any such act or thing that would render any representation or warranty of ESHBAL untrue or incorrect in any material respect;

(b) use its commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to the obligations hereunder which are reasonably under its control and to take, or cause to be taken, all other reasonable actions and to do, or cause to be done, all other things necessary, proper or advisable under Applicable Laws and regulations to complete the Transaction in accordance with the terms of this Agreement;

(c) provide Hakken and its representatives and advisors with reasonable access to all books, records, files, documents, properties and executive personnel of ESHBAL along with its auditors, accountants, experts and advisors prior to the Closing Time as reasonably requested by Hakken in order that Hakken may conduct the Hakken Due Diligence (as herein defined) and to satisfy itself as to all matters relating to the business, assets, properties operations and liabilities of ESHBAL and to determine the accuracy of the matters set forth herein;

(d) at its own cost, conduct due diligence investigations as necessary to confirm the merits of the Transaction, including review of technical and financial information, title, legal matters, and other technical, financial and legal due diligence (the "**ESHBAL Due Diligence**");

(e) use commercially reasonable efforts to assist Hakken to complete the Hakken Financing;

(f) use its commercially reasonable efforts to assist Hakken to prepare the Filing Statement and (i) ensure that all information provided by it or on its behalf that is contained in the Filing Statement does not contain any misrepresentation or any untrue statement of a material fact or omit to state a material fact required to be stated in the Filing Statement and necessary to make any statement that it contains not misleading in light of the circumstances in which it is made; and (ii) promptly notify Hakken if, at any time before the Closing Date, it becomes aware that the Filing Statement or any other public document contains a misrepresentation, an untrue statement of material fact, omits to state a material fact required to be stated in those documents that is necessary to make any statement it contains not misleading in light of the circumstances in which it is made or that otherwise requires an amendment or a supplement to those documents;

(g) not permit the ESHBAL Holders to transfer, sell, encumber or otherwise dispose of any of the ESHBAL Units or any interest therein or grant any party any option or right to acquire any interest in the ESHBAL Units without the prior written consent of Hakken;

(h) not sell, pledge, lease, dispose of, grant any interest in, encumber or agree to sell, pledge, lease, dispose of, grant any interest in or encumber any of the assets of ESHBAL to any party other than Hakken, without the prior written consent of Hakken;

(i) use reasonable commercial efforts to preserve materially intact the business organization and other business relationships of ESHBAL, continue to operate in the ordinary course of business and maintain its books, records and accounts in accordance with generally accepted accounting principles, consistent with past practice;

(j) not enter into any Material Contracts, other than in the ordinary course of business, or agreements with related parties (as defined in Applicable Laws), make any changes to its letters patent, alter or amend the capital structure of ESHBAL, or amend any stock options, warrants or other convertible securities, without the prior consent of Hakken;

(k) subject to the termination of this Agreement and the prior written consent of Hakken, not, directly or indirectly, solicit, initiate or knowingly encourage, cooperate with or facilitate (including by way of furnishing any non-public information or entering into any form of agreement, arrangement or understanding), the submission, initiation or continuation of any oral or written inquiries, expression of interest, proposals or offers from, or, except as required by Applicable Laws, participate in or facilitate any negotiations or discussions with, any person, other than Hakken, relating to:

  (i) the acquisition or disposition of all or any substantial part of the assets or the issued or unissued units of ESHBAL; or

  (ii) any arrangement, amalgamation, merger, sale of the assets, take-over bid, reorganization, recapitalization, liquidation or winding-up of, or other business combination or similar transaction involving ESHBAL and any other party (other than Hakken); or

  (iii) the proposing or effecting any transaction involving ESHBAL which is similar to the Transaction;

  (each an "**Alternative Transaction**");

(l) other than allocation of the Cash Payment immediately prior to the Closing Date to the ESHBAL Holders, not declare, pay or set aside any dividends or provide for any distribution of its properties or assets, or make any payment by way of return of capital, to its unitholders;

(m) not split, combine or reclassify any outstanding units or other securities;

(n) other than pursuant to this Transaction and as set forth in the Section 4.1(n) of the ESHBAL Disclosure Letter, not redeem, purchase or offer to purchase any of the units or other securities;

(o) not reorganize, amalgamate or merge with any other Person in any manner whatsoever, other than as may be necessary in order to give effect to the Transaction (and excluding any requisite internal reorganizations);

(p) not acquire or agree to acquire (by merger, amalgamation, acquisition of securities or assets or otherwise) any Person or, or other than in the ordinary course of business, any assets or properties of any Person;

(q) other than as set forth in Section 4.1(q) of the ESHBAL Disclosure Letter, not issue or commit to issue any units, rights, warrants or options to purchase such units, or any securities convertible into such units, warrants or options, except pursuant to the terms of securities outstanding on the date hereof;

(r) other than as set forth in Section 4.1(r) of the ESHBAL Disclosure Letter and pursuant to the ESHBAL Corporate Conversion, not alter or amend in any way its constating documents or by-laws as the same exist at the Agreement Date;

(s) subject to the ESHBAL Corporate Conversion process, use all commercially reasonable efforts to obtain all approvals of any Governmental Entity which are required in connection with the consummation of the transactions contemplated hereby;

(t) upon receipt of any required Hakken shareholder approvals, completion of the Hakken Financing and receipt of the conditional approval of the TSXV to the Transaction, ESHBAL shall immediately commence and take all necessary steps to the transition of ESHBAL from an Israeli cooperative to an Israeli limited liability company pursuant to Section 345 of the Israeli Companies Law (the "**ESHBAL Corporate Conversion**"); and

(u) not perform any act or enter into any transaction or negotiation which might materially adversely interfere or be materially inconsistent with the consummation of the Transaction contemplated under this Agreement.

4.2 **Covenants of Hakken**

Until the earlier of the completion of the Transaction on the Closing Date or the day upon which this Agreement is terminated in accordance with Section 10, Hakken hereby convents and agrees with ESHBAL and the ESHBAL Holders that it will:

(a) use commercially reasonable efforts to ensure that all of its representations and warranties contained in this Agreement remain true and correct in all material respects and not do any such act or thing that would render any representation or warranty untrue or incorrect in any material respect;

(b) use its commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to the obligations hereunder which are reasonably under its control and to take, or cause to be taken, all other reasonable actions and to do, or cause to be done, all other things necessary, proper or advisable under Applicable Laws and regulations to complete the Transaction in accordance with the terms of this Agreement;

(c) provide ESHBAL and its representatives and advisors with reasonable access to all books, records, files, documents, properties and executive personnel of Hakken along with its auditors, accountants, experts and advisors prior to the Closing Time as requested by ESHBAL in order that ESHBAL may conduct the ESHBAL Due Diligence and satisfy itself as to all matters relating to the business, assets, properties operations and liabilities of Hakken and to determine the accuracy of the matters set forth herein;

(d) at its own cost, complete the due diligence investigations that Hakken commenced prior to the Agreement Date necessary to confirm the merits of the Transaction, including review of technical and financial information, title, legal matters, and other technical, financial and legal due diligence (the "**Hakken Due Diligence**");

(e) use reasonable commercial efforts to preserve intact the business organization and other business relationships of Hakken and will continue to operate in the ordinary course of business and maintain its books, records and accounts in accordance with generally accepted accounting principles, consistent with past practice and in addition, Hakken shall not have undertaken any business, other than in connection with the completion of the Transaction;

(f) comply at all times with the CPC Policy;

(g) comply with all Applicable Laws applicable to it and to the conduct of its business and will not do any act, or omit to do any act which will cause a breach of any material commitments of obligations;

(h) obtain all necessary waivers, consents and approvals from other Parties to material agreements, leases and other contracts or agreements and all necessary consents, approvals, permits and authorizations as are required to be obtained under any Applicable Laws;

(i) defend all claims, actions, suits, litigations or proceedings challenging this Agreement or the consummation of the transactions contemplated herein;

(j) jointly prepare with ESHBAL any press release in connection with the Transaction contemplated by this Agreement; provided, however, that nothing contained herein shall prohibit Hakken, following notification to ESHBAL, from making any disclosure which is required by Applicable Law. If any such press release or public announcement is so required, Hakken shall consult with ESHBAL prior to making such disclosure, and the parties shall use all reasonable efforts, acting in good faith, to agree upon a text for such disclosure which is satisfactory to both parties;

(k) if a meeting of Hakken Shareholders is required under Applicable Laws or the TSXV Policies, (i) call a meeting of Hakken Shareholders and file a notice of meeting of Hakken Shareholders as soon as reasonably practicable upon the execution of this Agreement, (ii) prepare, file and mail the management information circular and related materials (the "**Hakken Meeting Materials**") in connection with such meeting in accordance with Applicable Laws (including, but not limited to, the timing and other requirements under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*) and the TSXV Policies, (iii) allow ESHBAL (through the Representative) and its counsel reasonable opportunity to review and comment on the Hakken Meeting Materials prior to the filing, printing and mailing of the Hakken Meeting Materials, and reasonable consideration shall be given by Hakken and its counsel to any such comments made by ESHBAL (through the Representative) and its counsel, (iv) support matters to be put before Hakken Shareholders at such meeting and recommend to the Hakken Shareholders that they approve such meeting matters, including statements in the Hakken Meeting Materials to that effect, and solicit the proxies of Hakken Shareholders to vote in favour of such meeting matters, and (v) hold the meeting of Hakken Shareholders in a timely fashion and in compliance with Applicable Laws and the TSXV Policies. Hakken will promptly advise the Representative of any communication (written or oral) received by Hakken from any Hakken Shareholder or other securityholder of Hakken in opposition to any of the matters to be approved by the Hakken Shareholders in the Hakken Meeting Materials;

(l) not declare, pay or set aside any dividends or provide for any distribution of its properties or assets, or make any payment by way of return of capital, to its shareholders;

(m) not split, combine or reclassify any outstanding shares;

(n) not enter into or amend any agreement, except in connection with the Hakken Financing, provided that any agreement entered into in connection with the Hakken Financing shall be subject to the approval of the Representative, acting reasonably;

(o) not redeem, purchase or offer to purchase any of its common shares or other securities;

(p) not reorganize, amalgamate or merge with any other Person in any manner whatsoever;

(q) not incur or commit to incur any indebtedness for borrowed money or issue any debt securities;

(r) take commercially reasonable best efforts to maintain the listing of the Hakken Shares on the TSXV, its corporate existence and its reporting issuer status in British Columbia and Alberta;

(s) not make any loans, advances or other payments, excluding routine advances to directors or officers of Hakken for expenses incurred in the ordinary course of business, provided that such advances are in compliance with CPC Policy;

(t) not sell, pledge, lease, dispose of, grant any interest in, encumber or agree to sell, pledge, lease, dispose of, grant any interest in or encumber any of the assets of Hakken, without the prior written consent of ESHBAL;

(u) not settle any outstanding claims, actions, suits, litigation or proceedings;

(v) not acquire or agree to acquire (by merger, amalgamation, acquisition of securities or assets or otherwise) any Person other than ESHBAL or any assets or properties of another Person;

(w) not enter into any related party transaction, including any entering into or amending any employment or consulting agreements or service contracts with any director, officer, employee or consultant, or otherwise make any changes in compensation, bonuses, fees or benefits;

(x) not make any capital expenditures;

(y) immediately cease and cause to be terminated, and shall direct and cause its officers, directors, employees, representatives, advisors, and agents and its subsidiaries and their officers, directors, employees, representatives, advisors to cease and cause to be terminated, any solicitation, encouragement, activity, discussion or negotiation with any parties that may be ongoing with respect to an Alternative Transaction, and shall, subject to the termination of this Agreement and the prior written consent of ESHBAL, not, and shall direct and cause its officers, directors, employees, representatives, advisors, and agents and its subsidiaries and their officers, directors, employees, representatives, advisors, and agents to not, directly or indirectly, solicit, initiate or knowingly encourage, cooperate with or facilitate (including by way of furnishing any non-public information or entering into any form of agreement, arrangement or understanding), the submission, initiation or continuation of any oral or written inquiries, expression of interest, proposals or offers from, or, except as required by Applicable Laws, participate in or facilitate any negotiations or discussions with, any person, other than ESHBAL, relating to an Alternative Transaction of Hakken, or enter into any agreement, arrangement or understanding related to any proposal with respect to an Alternative Transaction;

(z) other than in connection with the outstanding Hakken Options, the issuance of Hakken Shares in connection with the Corporate Finance Fee and the Finder's Fee, the Hakken Financing, the issuance of the Performance Warrants and the reservation for issuance of the Performance Shares, issue or commit to issue any shares, rights, warrants or options to purchase such shares, or any securities convertible into such shares, warrants or options, except pursuant to the issuance of securities issuable pursuant to the terms of securities outstanding on the Agreement Date hereof;

(aa) promptly apply for and use all commercially reasonable efforts to obtain all approvals of any Governmental Entity which are required in connection with the consummation of the transactions contemplated hereby;

(bb) with the assistance of ESHBAL and the ESHBAL Holders, promptly make application to the TSXV and take such actions as are required to receive, in a timely manner, the TSXV conditional approval of the Transaction, the Name Change (and applicable amendment to the Hakken Constating Documents), the Hakken Financing and all other matters contemplated in this Agreement, including without limitation, the issuance and listing on the facilities of the TSXV of the Consideration Shares, the Performance Shares, any Hakken Shares issuable in connection with the Hakken Financing and this Agreement, and the appointment of the directors and officers contemplated by Section 3.3;

(cc) with the assistance of ESHBAL and the ESHBAL Holders, promptly prepare, and as soon as practicable upon the receipt by Hakken of the ESHBAL Filing Statement Financial Statements, file, the Filing Statement with the TSXV to review and approve, and upon receipt of approval of the TSXV, execute and file the Filing Statement in accordance with Applicable Law and the TSXV Policies, and all information relating to Hakken contained in the Filing Statement shall be complete and accurate in all material respects as at the date of the Filing Statement, shall not contain any misrepresentation or untrue statement of a material fact or omit to state a material fact with respect to Hakken that is required to be stated in the Filing Statement and necessary to make any statement that it contains not misleading in light of the circumstances in which it is made;

(dd) provide ESHBAL with the opportunity to review and comment on, prior to use or filing, as applicable, the Filing Statement, the application to the TSXV with respect to the Transaction, the Hakken Meeting Materials, if required, and all agreements and other materials related to the Hakken Financing, provided that all information relating solely to ESHBAL and the ESHBAL Holders included in the Filing Statement and such application to the TSXV, the Hakken Meeting Materials, if applicable, or any such agreements or materials related to the Hakken Financing, shall be in form and content satisfactory to ESHBAL (through the Representative) acting reasonably, and Hakken shall keep the

Representative informed of any requests or comments made by the TSXV, securities regulators or any Governmental Authority relating to the same;

(ee) promptly notify the Representative if, at any time before the Closing Date, it becomes aware that the Filing Statement, the application to the TSXV with respect to the Transaction, the Hakken Meeting Materials, if required, and any agreements and other materials related to the Hakken Financing contains a misrepresentation, an untrue statement of Material Fact, omits to state a Material Fact required to be stated in those documents that is necessary to make any statement it contains not misleading in light of the circumstances in which it is made or that otherwise requires an amendment or a supplement to those documents and shall promptly prepare, file and mail, as applicable such amendment or supplement as required by Applicable Law;

(ff) with the assistance of ESHBAL and the ESHBAL Holders as contemplated by this Agreement, use its commercially reasonable efforts to complete the Hakken Financing;

(gg) not alter or amend in any way the Hakken Constating Documents as the same exist at the Agreement Date, except as agreed to by ESHBAL in writing or as required to give effect to the Transaction, appointment of Directors to the Board of Hakken in accordance with Section 3.3(c) of this Agreement and the Name Change; and

(hh) not perform any act or enter into any transaction or negotiation which might materially adversely interfere or be materially inconsistent with the consummation of the Transaction contemplated under this Agreement.

4.3 **Covenants of ESHBAL Holders**

Until the earlier of the completion of the Transaction on the Closing Date or the day upon which this Agreement is terminated in accordance with Section 10, each of the ESHBAL Holders herby convents and agrees with Hakken that it will:

(a) use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder which are reasonably under its control and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under Applicable Laws and regulations to complete the Transaction in accordance with the terms of this Agreement;

(b) promptly notify each of the other Parties if any of the representations and warranties made by it in this Agreement ceases to be true, accurate and complete in any material respect and of any failure to comply in any material respect with any of its obligations;

(c) not transfer, sell, encumber or otherwise dispose of any of its ESHBAL Units or any interest therein or grant any party any option or right to acquire any interest in its ESHBAL Units without the prior written consent of Hakken;

(d) execute and deliver the Escrow Agreement, if required by the TSXV, and execute and deliver such other instruments or documents and take such further action as may reasonably be required by Hakken or the TSXV to give effect to the Escrow Agreement or any matter provided for herein;

(e) consent to, and assist ESHBAL and Hakken with, the filing by Hakken from time to time of any reports or other documents required by any Securities Commissions or the TSXV with respect to its receipt of the Consideration Shares and other securities issuable pursuant to this Agreement; and

(f) subject to the terms hereof, deliver and cause to be delivered all closing deliveries required to be delivered by it pursuant to this Agreement**.**

5 REPRESENTATIONS AND WARRANTIES

5.1 **Representations and Warranties of ESHBAL**

In order to induce Hakken to enter into this Agreement and complete its obligations hereunder, ESHBAL represents and warrants to Hakken as follows:

(a) **Incorporation and Qualification –** ESHBAL is an agricultural cooperative existing under the laws of Israel and has the power and capacity to own and operate its property, carry on its business and enter into and perform its obligations under this Agreement. Neither the nature of its activities nor the location or character of the assets owned, operated or leased by ESHBAL require ESHBAL to be registered, licensed or otherwise qualified as a foreign entity or to be in good standing in any jurisdiction other than the jurisdictions where it is so registered, licensed or qualified, except where the failure to be so registered, licensed or qualified or remain in good standing would not reasonably be expected to have a Material Adverse Effect on ESHBAL.

(b) **Not a Reporting Issuer** – ESHBAL is not a “reporting issuer” (as such term is defined in the Securities Act) in any jurisdiction and the ESHBAL Units are not listed or quoted on any share exchange or trading facility. ESHBAL is not subject to any regulatory decision or order prohibiting or restricting trading in the ESHBAL Units.

(c) **No Conflict –** The entering into, and the performance by ESHBAL, of the Transaction:

(i) do not and will not require any consent, permit, approval, authorization or order of any Governmental Authority, other than as set forth in Section 5.1(c)(i) of the ESHBAL Disclosure Letter;

(ii) do not contravene, conflict with or result in a violation or breach of any provision of any Applicable Laws or any license, permit, franchise, approval, consent or authorization held by ESHBAL;

(iii) do not constitute a breach of any provision of any Contract of which ESHBAL is a party;

(iv) other than will be obtained by the Closing Date and as set forth in Section 5.1(c)(i)(iv) of the ESHBAL Disclosure Letter, do not require any notice or consent or other action by any Person under, contravene, conflict with, violate, breach or constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default, under, or cause or permit the termination, cancellation, acceleration or other change of any right or obligation or the loss of any benefit to which ESHBAL is entitled under, or give rise to any rights of first refusal or trigger any change in control provisions or any restriction under, any provision of any Contract or other instrument binding upon ESHBAL or affecting any of its assets, or result in the creation or imposition of any Encumbrance on any asset of ESHBAL, with such exceptions, in the case of each, as do not have or would not have, or be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect; and

(v) do not and will not violate, result in the breach of, or be in conflict with, or constitute a default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a default under any term or provision of (i) the constating documents of ESHBAL, or any resolution of the management committee or a general meeting of ESHBAL or (ii) any judgment, decree or order or any term or provision thereof applicable to ESHBAL or any of its assets or business.

(d) **Corporate Authority** – The execution, delivery and performance by ESHBAL of this Agreement and each additional agreement or instrument to be delivered pursuant to this Agreement including the Filing Statement and the completion of the transactions contemplated hereunder and thereunder, have been, or will be by the Closing Date, duly authorized by all necessary corporate action on the part of ESHBAL. Each of this Agreement and such additional agreements will constitute a legal, valid and binding obligation of ESHBAL and is enforceable against ESHBAL in accordance with its terms and conditions, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights and remedies of creditors and the general principles of equity.

(e) **Board Approval** – The management committee and the general meeting of ESHBAL has unanimously approved the Transaction and entry into this Agreement.

(f) **Required Approvals** – Other than as set out in Section 5.1(f) of the ESHBAL Disclosure Letter, there is no requirement to obtain any Regulatory Approval or other third-party waiver or approval as a condition to the completion by ESHBAL and the ESHBAL Holders of the Transaction contemplated by this Agreement.

(g) **Corporate Records –** All of the material corporate records of ESHBAL have been or will be provided to Hakken as part of the Hakken Due Diligence, including all constating documents, minutes of meetings and resolutions of unitholders, management committee and any committees, the unit certificates (if any), securities registers and register of directors of ESHBAL are complete and accurate and all corporate proceedings and actions reflected in such corporate records have been conducted or taken in material compliance with all Applicable Laws and with the constating documents of ESHBAL. ESHBAL's constating documents are in the form contained in its minute book as provided to Hakken, and other than as provided to Hakken, no modifications or alterations have been proposed or approved by its shareholders. ESHBAL's corporate records and constating documents are sufficient in order to meet the material requirements of all Applicable Laws, and they have been prepared and maintained in a manner which is compliance in all material respects with all Applicable Laws.

(h) **Authorized and Issued Capital –** ESHBAL is authorized to issue an unlimited number of ESHBAL Units. As at the Agreement Date, and subject to Section 5.1(h) of the ESHBAL Disclosure Letter, 1,084 ESHBAL Units are issued and outstanding as fully paid and non-assessable units, and all of the currently issued and outstanding securities of ESHBAL are free and clear of all Encumbrances other than the restrictions on transfer contained in the ESHBAL articles of association and restrictions on transfer which apply pursuant to Applicable Laws.

(i) **Outstanding Securities**

(i) As of the Agreement Date and as of the Closing Date, subject to Section 5.1(h) of the ESHBAL Disclosure Letter, other than the 1,084 ESHBAL Units issued and outstanding, there are, and shall be, no equity securities or securities of ESHBAL that are, convertible into equity securities that are issued and outstanding. **Schedule A** of this Agreement sets forth a complete and accurate list of all holders of securities of ESHBAL, treating all securities on a Fully Diluted Basis. Other than as contemplated by this Transaction and as set forth in Schedule 5.1(h) and Schedule 5.1(q) in the ESHBAL Disclosure Letter, no Person has or will have any right, agreement, warrant or option, present or future, contingent or absolute, or any right capable of becoming a right, agreement or option, for the purchase from ESHBAL of any interest in any of the outstanding units or securities of ESHBAL, or for the issue or allotment of any unissued units of ESHBAL or any other security directly or indirectly convertible into or exchangeable for such units of ESHBAL.

(ii) to ESHBAL's knowledge, no claim has been made, and no claim has been threatened, whereby a Person claims that securities of ESHBAL are owned by such Person or should be transferred to such Person, other than the holdings of the ESHBAL Holders as set forth in **Schedule A** of this Agreement.

(j) **Dividends and Distributions –** Other than as set forth in Section 5.1(j) of the ESHBAL Disclosure Letter, since January 1, 2024, no dividends or other distributions of any kind whatsoever on any units of ESHBAL have been made, declared or authorized.

(k) **Compliance with Laws –** ESHBAL has and is conducting its business in compliance in all material respects with all Applicable Laws in the jurisdictions in which such business is carried on, except for such breaches as would not reasonably be expected to have a Material Adverse Effect on ESHBAL.

(l) **No Unlawful Payments** –Neither ESHBAL, nor, to the knowledge of ESHBAL, any director, officer or employee of ESHBAL has (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any provision of any applicable foreign corrupt practices legislation, including the *U.S. Foreign Corrupt Practices Act*, the *Corruption of Foreign Public Officials Act* (Canada), and Section 5 of Chapter 9 of the *Israeli Penal Law 5737-1977*; or (iv) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment.

(m) **No Options to Purchase Assets –** Other than pursuant to the Transaction, there are no written or oral agreements, options, understandings or commitments, or any right or privilege capable of becoming such for the purchase or acquisition from ESHBAL of any of its assets, other than assets which are obsolete or inventory to be sold in the ordinary course of business.

(n) **Financial Condition**

(i) the ESHBAL Current Financial Statements (which are attached in Schedule 5.1(n)(i) of the ESHBAL Disclosure Letter) are and the ESHBAL Filing Statement Financial Statements will be, as applicable, true and correct in every material respect and present fairly and accurately the financial position and results of the operations of ESHBAL for the periods reported upon;

(ii) the books and records of ESHBAL disclose all material financial transactions of ESHBAL, and such transactions have been fairly and accurately recorded;

(iii) other than as disclosed in the ESHBAL Current Financial Statements and as otherwise expressly disclosed to Hakken in writing, ESHBAL has no material assets;

(iv) other than as disclosed in the ESHBAL Current Financial Statements, ESHBAL has no material liabilities, whether direct, indirect, absolute, contingent or otherwise;

(v) other than as expressly disclosed to Hakken in writing, ESHBAL has not entered into any material commitment or transaction not in the ordinary and usual course of business;

(vi) other than as disclosed in the ESHBAL Current Financial Statements, as set forth in Section 5.1(n)(vi) of the ESHBAL Disclosure Letter or otherwise expressly disclosed to Hakken in writing, ESHBAL has not mortgaged, pledged, subjected to any lien, granted an option or a Security Interest in respect of or otherwise encumbered any of its assets or property, whether real or personal and whether tangible or intangible;

(vii) other than as disclosed in the ESHBAL Current Financial Statements, as set forth in Section 5.1(n)(vii) of the ESHBAL Disclosure Letter or otherwise expressly disclosed to Hakken in writing, ESHBAL is not indebted to or does not have any Liability (contingent or otherwise) to, any of the ESHBAL Holders, directors, officers or members of ESHBAL. None of the ESHBAL Holders, nor any director, officer or member of ESHBAL are indebted or under obligation to ESHBAL on any account whatsoever;

(viii) other than as set forth in Section 5.1(n)(viii) of the ESHBAL Disclosure Letter, ESHBAL has not guaranteed or agreed to guarantee any debt, liability or other obligation of any kind whatsoever of any Person; and

(ix) to the knowledge of ESHBAL, there has been no fraud, whether or not material, that involves management or other employees who have a significant role in ESHBAL’s internal control over financial reporting. Since the date of its incorporation, ESHBAL has received no (i) material complaints from any source regarding accounting, internal accounting controls or auditing matters, or (ii) expressions of concern from employees of ESHBAL regarding questionable accounting or auditing.

(o) **Related Party Transactions –** Other than as set forth in Section 5.1(o) of the ESHBAL Disclosure Letter, no current or former director, officer or employee of ESHBAL or any member of ESHBAL, or any affiliate or associate of any of them is a party to any loan, Contract, arrangement or understanding or other transactions with ESHBAL.

(p) **Taxes**

(i) other than as set forth in Section 5.1(p) of the ESHBAL Disclosure Letter, all tax returns and reports of ESHBAL required by law to have been filed have been filed and are substantially true, complete and correct and all taxes and other government charges of any kind whatsoever of ESHBAL have been paid;

(ii) adequate provision has been made for taxes payable by ESHBAL for the current period for which tax returns are not yet required to be filed and there are no agreements, waivers or other arrangements of any kind whatsoever providing for an extension of time with respect to the filing of any tax return by, or payment of, any tax or governmental charge of any kind whatsoever by ESHBAL;

(iii) ESHBAL has made all collections, deductions, remittances and payments of any kind whatsoever and filed all reports and returns required by it to be made or filed under the provisions of all Applicable Laws requiring the making of collections, deductions, remittances or payments of any kind whatsoever in those jurisdictions in which ESHBAL carries on business;

(iv) no Tax Return of ESHBAL is being audited by the relevant taxing authority. There are no outstanding waivers, objections, extensions, or comparable consents regarding the application of the statute of limitations or period of reassessment with respect to any Taxes or Tax Returns that have been given or made by ESHBAL (including the time for filing of Tax Returns or paying Taxes). To the knowledge of ESHBAL, there are no pending requests for any such waivers, extensions, or comparable consents. ESHBAL has not received a ruling from any Governmental Authority or signed an agreement with any Governmental Authority that could reasonably be expected to have a Material Adverse Effect on ESHBAL;

(v) other than as set forth in Section 5.1(p) of the ESHBAL Disclosure Letter, there are no actions, suits, examinations, proceedings, investigations, audits or claims now pending or threatened or, to the knowledge of ESHBAL, contemplated against ESHBAL in respect of any Taxes and there are no matters under discussion with any Governmental Authority relating to any Taxes; and

(vi) other than as set forth in Section 5.1(p) of the ESHBAL Disclosure Letter, ESHBAL has not been subject to or is currently subject to any investigation, audit or visit by any Governmental Authority relating to Tax which has been notified to ESHBAL, and ESHBAL is not aware of any such investigation, audit or visit planned for the next 12 months.

(q) **Litigation –** Other than as set forth in Section 5.1(q) of the ESHBAL Disclosure Letter, there are no outstanding actions, suits, litigation, judgments, investigations or proceedings of any kind whatsoever against or affecting ESHBAL at law or in equity or before or by any Governmental Authority or other governmental department, commission, board, bureau or agency of any kind whatsoever nor are there, to the knowledge of ESHBAL, any pending or threatened.

(r) **Insurance** – Section 5.1(r) of the ESHBAL Disclosure Letter sets forth a true and complete list of all current policies maintained by ESHBAL and relating to the assets, business, operations, employees, officers and directors of ESHBAL (collectively, the "**Insurance Policies**") and true and complete copies of such Insurance Policies have been made available to Hakken. Such Insurance Policies are in full force and effect and shall remain in full force and effect following the consummation of the Transaction. ESHBAL has not received any written notice of cancellation of, premium increase with respect to, or alteration of coverage under, any of such Insurance Policies. All premiums due on such Insurance Policies have either been paid or, if due and payable prior to Closing, will be paid prior to Closing in accordance with the payment terms of each Insurance Policy. The Insurance Policies do not provide for any retrospective premium adjustment or other experience-based liability on the part of ESHBAL. All such Insurance Policies (a) are valid and binding in accordance with their terms; (b) are provided by carriers who are financially solvent; and (c) have not been subject to any lapse in coverage. Other than as set forth in Section 5.1(r) of the ESHBAL Disclosure Letter, there are no claims related to the business of ESHBAL pending under any such Insurance Policies as to which coverage has been questioned, denied or disputed or in respect of which there is an outstanding reservation of rights. To the knowledge of ESHBAL, ESHBAL is not in default under, and has not otherwise failed to comply with, in any material respect, any provision contained in any such Insurance Policy. To the knowledge of ESHBAL, the Insurance Policies are of the type and in the amounts customarily carried by Persons conducting a business similar to ESHBAL and are sufficient for compliance with all Applicable Laws and Contracts to which ESHBAL is a party or by which it is bound.

(s) **Assets** – Other than as set forth in Section 5.1(s) of the ESHBAL Disclosure Letter, the assets owned by ESHBAL include all material assets, rights, authorizations, property and Intellectual Property necessary to conduct their business immediately after the Transaction in the same manner it is currently conducted. ESHBAL has good and marketable title to all of their assets, free and clear of any Encumbrances other than Permitted Encumbrances.

(t) **Intellectual Property**

(i) Other than as set forth in Section 5.1(t) of the ESHBAL Disclosure Letter, ESHBAL owns all right, title or interest in and to all Intellectual Property owned by it free and clear of all Encumbrances;

(ii) To the knowledge of ESHBAL, other than as set forth in Section 5.1(t) of the ESHBAL Disclosure Letter, there are no third parties who have, or will be able to establish, rights (including any license) to any trade-mark applications, trade-mark registrations, patent applications or patents owned by ESHBAL (or rights in the subject matter of such trade-mark applications, trade-mark registrations, patent applications or patents); and

(iii) ESHBAL has not received any notice of (i) any infringement by third parties of any Intellectual Property owned by ESHBAL, (ii) any conflict with a third party whereby it is alleged that either ESHBAL infringes or otherwise violates any Intellectual Property of others, or (iii) any conflict with a third party whereby ESHBAL's rights in or to any Intellectual Property or the validity or scope of any

Intellectual Property is challenged, which infringement or conflict (if the subject of any unfavourable decision, ruling or finding), would reasonably be expected to have a Material Adverse Effect on ESHBAL.

(u) **Material Contracts** – Section 5.1(u) of the ESHBAL Disclosure Letter sets out a list of all of the Material Contracts of ESHBAL. All such Material Contracts are valid and subsisting agreements, and to the knowledge of ESHBAL, enforceable in accordance with their terms. ESHBAL has performed all of the obligations required to be performed by it and, to the knowledge of ESHBAL, ESHBAL is entitled to all benefits under its Material Contracts. Neither ESHBAL nor, to ESHBAL's knowledge, any other party to any Material Contract is in default of any such Material Contract. To the knowledge of ESHBAL, no event has occurred which, with the giving of notice, the lapse of time or both, would constitute an event of default by any other party to any such Material Contract of ESHBAL, ESHBAL is not alleged to be in default of any of the provisions of such Material Contracts, and ESHBAL is not aware of any disputes with respect thereto.

(v) **Subsidiaries**:

(i) Other than as set forth in Section 5.1(v) of the ESHBAL Disclosure Letter, ESHBAL has no Subsidiaries or affiliates; and

(ii) ESHBAL does not own, possess or have the right to acquire any securities of any Person.

(w) **Employment and Employee Plan Matters:**

(i) Section 5.1(w)(i) of the ESHBAL Disclosure Letter contains a true, correct, and complete list of the names, current annual salary rates or current hourly wages, as applicable, bonus opportunity, title, hire date, employer, any other compensation or benefits payable, annual entitlement and accrued vacation and paid-time-off, any legally binding commitments made with respect to compensation or benefits, principal work location, and leave status of all present employees of ESHBAL and, where applicable, each such employee's status as being exempt or non-exempt from the application of mandatory overtime statutes. No key employee has informed ESHBAL (orally or in writing) of any plans to terminate employment with or services for ESHBAL. Section 5.1(w)(i) of the ESHBAL Disclosure Letter also accurately identifies each former employee of ESHBAL who is receiving or is scheduled to receive (or whose spouse or other dependent is receiving or scheduled to receive) any benefits relating to such former employee's employment with ESHBAL, including severance benefits (whether it be cash or in kind), and accurately and completely describes such benefits. In addition to the forging, Section 5.1(w)(i) of the ESHBAL Disclosure Letter also sets forth the additional following information for each of its present employees: city/county of employment, citizenship, and any material special circumstances, including whether such employees are currently, or have been in the past nine months been on maternity or parental leave, or furlough or unpaid leave, or have had during the last nine months a reduction in scope of work hours or days or reduction in salary and compensation.

(ii) Section 5.1(w)(ii) of the ESHBAL Disclosure Letter contains a list of all individual independent contractors, consultants, or agency employees currently engaged by

ESHBAL, along with the position, principal work location, a general description of services and responsibilities, date of retention, rate of remuneration, term of engagement for each such Person, and the notice or termination provisions applicable to the services provided by such individual, if not already terminated. Each current or former employee, independent contractor, consultant, or agency employee of ESHBAL has entered into customary covenants regarding confidentiality, non-competition, and assignment of Intellectual Property in such Person's agreement with ESHBAL. To the knowledge of ESHBAL, no current or former independent contractor or consultant of ESHBAL meets the criteria which would result in such contractor or consultant being deemed an employee of ESHBAL. Section 5.1(r) of the ESHBAL Disclosure Letter sets out all Israeli employees whose employment agreements state that they are not subject to the *Hours of Work and Rest Law - 1951*, and accordingly are ineligible for overtime payments, are correctly classified as such. ESHBAL has not had at any time, any temporary or leased employees that were not treated and accounted for in all respects as employees of the ESHBAL.

(iii) The obligations of ESHBAL to provide statutory severance pay to its Israeli employees pursuant to the *Israeli Severance Pay Law – 1963*, and vacation pursuant to the *Israeli Annual Leave Law – 1951* and any agreement was properly applied, other than as set forth in Section 5.1(w)(iii) of the ESHBAL Disclosure Letter, and all Israeli employees have been subject to the provisions of Section 14 of the *Israeli Severance Pay Law -1963*, with respect to one hundred percent of the salary for which severance pay is due under the *Israeli Severance Pay Law -1963* from the date of commencement of their employment with ESHBAL.

(iv) ESHBAL has made available to Hakken accurate and complete copies of all books and records and agreements related to employment of the employees of ESHBAL.

(v) Except as set forth in Section 5.1(w)(i) and Section 5.1(w)(ii) of the ESHBAL Disclosure Letter there are no Contracts between ESHBAL and (i) any of their employees or contractors or (ii) any other party relating to payment, remuneration or compensation for work performed or services provided (other than professional advisors engaged by ESHBAL to provide services in connection with the Transaction) or that would require any payment to be made as a result of the completion of the transactions contemplated in this Agreement;

(vi) Other than as set forth in Section 5.1(w)(i) of the ESHBAL Disclosure Letter, ESHBAL has no Employee Plans of any nature whatsoever, nor has ESHBAL ever had any such plans;

(vii) ESHBAL is not party to a collective bargaining agreement;

(viii) ESHBAL has operated and is currently operating in compliance with all Applicable Laws in all material respects relating to employees, including employment standards, human rights, occupational health and safety, all pay equity and employment equity legislation and there have been no employment related complaints against ESHBAL;

(ix) To the knowledge of ESHBAL, there are no complaints or threatened complaints against ESHBAL before any employment standards branch or tribunal or human rights commission or tribunal, nor, any occurrence which might lead to a complaint under any human rights legislation, employment standards legislation, health and safety legislation, workers' compensation legislation or pay equity legislation;

(x) Other than as set forth in Section 5.1(w)(x) of the ESHBAL Disclosure Letter, there are no outstanding decisions or settlements or pending settlements under employment standards, human rights legislation, health and safety legislation, workers' compensation legislation, payment equity legislation or labour relations legislation which place any obligation upon ESHBAL to do or refrain from doing any act or place a material financial obligation on ESHBAL;

(xi) Other than as set forth in Section 5.1(w)(xi) of the ESHBAL Disclosure Letter, there are no actions, suits or claims pending, threatened or reasonably anticipated (other than routine claims for benefits) against any Employee Plan or its assets, and there are no audits, inquiries or proceedings pending or, to the knowledge of ESHBAL, threatened by any Governmental Authority with respect to any Employee Plan, which in either case reasonably could be expected to result in material Liability to ESHBAL;

(xii) Other than as set forth in Section 5.1(w)(xii) of the ESHBAL Disclosure Letter, neither the execution and delivery of this Agreement nor the performance of the obligations of ESHBAL thereunder will entitle any current or former employee of ESHBAL to any severance pay, bonus or other similar payment; and

(xiii) All current and former employees, consultants, and contractors of ESHBAL that have participated in the creation or development of Intellectual Property for ESHBAL (each a "**Contributor**") have executed valid and enforceable agreements in which they have expressly and irrevocably assigned all of their rights (including their Intellectual Property rights) in and to such Intellectual Property to ESHBAL, copies of which were made available to Buyer ("**Contributor Agreements**"). All current and former Contributors have waived any and all moral rights, including all rights of an author under Section 45 of the Israeli *Copyright Law - 2007*, or under any other similar provision under any Applicable Laws. All current and former Contributors have expressly and irrevocably waived the right to receive compensation in connection with "Service Inventions" under Section 134 of the Israeli *Patent Law - 1967* or any other similar provision under any Applicable Laws. Neither ESBHAL nor any other party to any such agreement is in breach of any such Contributor Agreement. No current or former director, officer, employee, consultant or contractor of ESHBAL who was involved in, or who contributed to, the creation or development of any Intellectual Property on behalf of ESHBAL has performed services for any Governmental Authority, university, college or other educational institution or research center or other third party during a period of time during which such director, officer, employee, consultant or contractor was also performing services for ESHBAL. No funding, facilities or resources of any Governmental Authority, military, university, hospital, college, other educational institution or research center or other third party were used in the development or creation of any ESHBAL Intellectual Property and no Governmental Authority, military, university hospital, or other third party has any claim of an ownership interest in any ESHBAL Intellectual Property.

(x) **Complete Disclosure**

(i) All documents and written information delivered by ESHBAL or of its representatives under or in connection with this Agreement to Hakken or its representatives are complete and correct in all material respects as of the Agreement Date; and

(ii) Neither ESHBAL nor the directors, officers or members of ESHBAL have withheld from Hakken any material information necessary to make the statements herein not misleading.

(y) **Capitalization** – Subject to the clarification set forth in Section 5.1(y) of the ESHBAL Disclosure Letter, all outstanding units of ESHBAL and other securities of ESHBAL, if any, have been issued and granted in compliance in all respects with Applicable Laws, including by not limited to the requirements of the Cooperative Association Ordinance.

(z) **Corporate Finance Fee and Finder's Fee** – Other than the Corporate Finance Fee and the Finder's Fee and except as may be payable in connection with the Hakken Financing, no Person is entitled to any brokerage fee, financial advisory fee, finder's fees or similar fee in connection with this Agreement or any of the transactions contemplated herein.

(aa) **Information Technology** – ESHBAL's IT Systems are adequate and sufficient for the operation of the business of ESHBAL as currently conducted. There has been no failure, malfunction, or breach with respect to any ESHBAL IT Systems that has had a Material Adverse Effect on the operation of ESHBAL. To the knowledge of ESHBAL, no software currently in use contains any "back door", "drop dead device", "time bomb", "Trojan horse", "virus", or "worm" (as such terms are commonly understood in the software industry), or any software that provides unauthorized access to, a computer system or network or other device on which such software is stored or installed. To the knowledge of ESHBAL, none of the software currently used by ESHBAL constitutes, contains, or is considered "spyware" or "trackware" (as such terms are commonly understood in the software industry), records a user's actions or location without such user's or its employer's knowledge and consent to gather or transmit information on such user or such user's behavior. ESHBAL has reasonable safeguards and procedures in place regarding the security of the ESHBAL IT Systems used in the business of ESHBAL, and the integrity of all material data stored in the ESHBAL IT Systems. To the knowledge of ESHBAL, all ESHBAL IT Systems are free from any hardware components, timer, copy protection device, clock, or counter that in each case permit unauthorized access or the unauthorized disablement or unauthorized erasure of the ESHBAL IT Systems or data stored therein or other software by a third Person. To the knowledge of ESHBAL, there has been no unauthorized access or misuse of or intrusions or breaches of the security of the ESHBAL IT Systems.

(bb) **Government Programs** – Except as forth in Section 5.1(bb) of the ESHBAL Disclosure Letter, ESHBAL has no grants, subsidies, funding, stimulus, exemption, status, cost sharing arrangement, reimbursement arrangement, or other benefit or relief programs sponsored or administered by any Governmental Authority.

(cc) **Customers and Suppliers**

(i) Section 5.1(cc)(i) of the ESHBAL Disclosure Letter sets forth (i) each customer who has paid aggregate consideration to ESHBAL for goods or services rendered in an amount greater than or equal to $100,000 for each of the three most recent fiscal years (collectively, the "**Material Customers**"); and (ii) the amount of consideration paid by each Material Customer during such periods. Except as set forth in Section 5.1(cc)(i) of the ESHBAL Disclosure Letter, ESHBAL has not received any written notice, and has no knowledge that would lead it to believe, that any of its Material Customers has ceased, or intends to cease after the Closing, to use its goods or services or to otherwise terminate or materially reduce its relationship with ESHBAL; and

(ii) Section 5.1(cc)(ii) of the ESHBAL Disclosure Letter sets forth (i) each supplier to whom ESHBAL has paid consideration for goods or services rendered in an amount greater than or equal to $100,000 for each of the three most recent fiscal years (collectively, the "**Material Suppliers**"); and (ii) the amount of purchases from each Material Supplier during such periods. Except as set forth in Section 5.1(cc)(ii) of the ESHBAL Disclosure Letter, ESHBAL has not received any written notice, and has no knowledge that would lead it to believe, that any of its Material Suppliers has ceased, or intends to cease, to supply goods or services to ESHBAL or to otherwise terminate or materially reduce its relationship with ESHBAL.

(dd) **Sanctions; Export Control**

(i) None of ESHBAL, and to the knowledge of ESHBAL, any director, officer, or employee of ESHBAL, nor any consultant acting for or on behalf of ESHBAL, any agent acting for or on behalf of ESHBAL or any other Person acting for or on behalf of ESHBAL, is, or is owned or controlled by a Person that is: (A) the subject of any sanctions administered by the U.S. Department of Treasury's Office of Foreign Assets Control (OFAC) or the U.S. Department of State, the United Nations Security Council, the European Union, or other relevant sanctions authority (collectively, "**Sanctions**"), or (B) located, organized or resident in a country or territory that is the subject of Sanctions (including Russia, Cuba, Iran, Lebanon, North Korea, Sudan, Syria and the Crimea, Donetsk (so-called People's Republic), and Luhansk (so-called People's Republic) regions of Ukraine). ESHBAL (i) has not engaged in, and is not now engaged in, directly or indirectly, any dealings or transactions with any Person, or in any country or territory, that, at the time of the dealing or transaction, is or was the subject of Sanctions and (ii) has been in compliance with and has not been given notice of any violation of, and, to ESHBAL's knowledge, is not under investigation with respect to and has not been threatened to be charged with any violation of, any applicable Sanctions or export controls Applicable Law;

(ii) To the knowledge of ESHBAL, ESHBAL has complied during the past three years with all Applicable Laws concerning embargoes, economic sanctions, export or import controls or restrictions, encryption controls, the ability to make or receive international payments, the ability to engage in international transactions, anti-terrorism, or the ability to take an ownership interest in assets located in a foreign country, including, those administered by the U.S. Department of Treasury, Office of Foreign Assets Control, the U.S. Department of Commerce, Bureau of Industry and Security, and the U.S. Department of State;

(iii) To the knowledge of ESHBAL, the business of ESHBAL as currently conducted does not involve the use or development of, or engagement in, encryption technology, or other technology whose development, commercialization or export is restricted under Applicable Laws, and to conduct its business as currently conducted, ESHBAL is not and has not been under any obligation to obtain any approvals from the U.S. Bureau of Industry and Security or any licenses from the Israeli Ministry of Defense or Israeli Ministry of the Economy. ESHBAL has obtained all material licenses and other approvals required for its use, development, commercialization, imports and exports of products, software and technologies which may involve the use or engagement in encryption technology, or may involve any other technology whose development, commercialization, import or export is restricted or otherwise regulated under Israeli, United States or other applicable jurisdiction laws or regulations, and ESHBAL has at all times been in compliance, and is in compliance with, in all material respects, all such approvals and licenses and all such approvals and licenses are in full force and effect. There are no pending or, to the knowledge of ESHBAL, threatened written claims against ESHBAL with respect to such export licenses or other approvals. ESHBAL has developed or develops, used or uses and commercialized or commercializes the products and conducted or conducts its import and export transactions, including all downloads of ESHBAL's software, all transfers of software code (in binary or source code forms), and all transfers of Intellectual Property including to ESHBAL's third party developers, in accordance in all respects with applicable provisions of Israel, United States or any other applicable jurisdictions governing the use, development, import, export or other engagement in encryption technology and any other restricted technologies.

(ee) **Environmental Matters -** Except as would not reasonably be expected to cause, individually or in the aggregate, a Material Adverse Effect to ESHBAL:

(i) No written notice, notification, demand, request for information, citation, summons or order has been received, no complaint has been filed, no penalty has been assessed and no action, suit, litigation, judgment, investigation or proceeding of any kind is pending, or to the knowledge of ESHBAL, threatened by any Person with respect to any matters relating to ESHBAL and relating to any Environmental Law;

(ii) Except as set forth in Section 5.1(ee)(ii) of the ESHBAL Disclosure Letter, to the knowledge of ESHBAL, no Hazardous Materials have been discharged, disposed of, dumped, injected, pumped, deposited, spilled, leaked, emitted or released at, on or under any property now or previously owned, leased or operated by ESHBAL or any predecessor thereof; and

(iii) ESHBAL is and has been in compliance with all Environmental Law in all respects and has obtained all Environmental Permits required to conduct ESHBAL's business as currently conducted and as currently proposed to be conducted. A list of such Environmental Permits is set forth in Section 5.1(ee)(iii) of the ESHBAL Disclosure Letter.

5.2 **Representations and Warranties of Hakken**

In order to induce ESHBAL and the ESHBAL Holders to enter into this Agreement and complete its obligations hereunder, Hakken represents and warrants to ESHBAL and the ESHBAL Holders as follows:

(a) **Incorporation and Qualification –** Hakken is a company incorporated under the laws of British Columbia and has the corporate power and capacity to own and operate its property, carry on its business and enter into and perform its obligations under this Agreement. Neither the nature of its activities nor the location or character of the assets owned, operated or leased by Hakken require Hakken to be registered, licensed or otherwise qualified as a foreign corporation or to be in good standing in any jurisdiction other than the jurisdictions where it is so registered, licensed or qualified, except where the failure to be so registered, licensed or qualified or remain in good standing would not reasonably be expected to have a Material Adverse Effect on Hakken.

(b) **Reporting Issuer** – Hakken is a "reporting issuer" in the provinces of British Columbia and Alberta and is not a "reporting issuer" or equivalent in any other jurisdiction, and the Hakken Shares are listed and posted for trading on the TSXV and no other stock exchange. Other than a trading halt imposed in connection with the Transaction, Hakken is not subject to any regulatory decision or order prohibiting or restricting trading in Hakken Shares or any other securities of Hakken. Hakken is in compliance with all of its obligations under applicable Securities Laws and is not in breach of or default of any applicable Securities Laws, including the TSXV Polices. Hakken is not the subject of any investigation by any stock exchange or any other securities regulatory authority.

(c) **CPC -** Hakken is a "CPC" (as such term is defined in the CPC Policy) and the Transaction will constitute Hakken's *"Qualifying Transaction"* (as such term is defined in the CPC Policy) and Hakken has to the Agreement Date and will as of Closing, complied with all of the requirements contained in the CPC Policy.

(d) **No Conflict –** The entering into, and the performance by Hakken of the transactions contemplated in this Agreement:

(i) do not and will not require any consent, permit, approval, authorization or order of any Governmental Authority, other than the conditional approval of the TSXV as contemplated in Section 7.1(a)(5) of this Agreement;

(ii) do not contravene, conflict with or result in a violation or breach of any provision of any Applicable Laws or any license, approval, consent or authorization held by Hakken;

(iii) do not contravene, conflict with, violate, breach or constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default, under, or cause or permit the termination, cancellation, acceleration or other change of any right or obligation or the loss of any benefit to which Hakken is entitled under, or give rise to any rights of first refusal or trigger any change in control provisions or any restriction under, any provision of any Contract or other instrument binding upon Hakken or affecting any of its assets, or result in the creation or imposition of any Encumbrance on any asset of Hakken, with such exceptions, in the case of each, as do not have or would not have, or be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect; and

(iv) does not and will not violate, result in the breach of, or be in conflict with, or constitute a default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a default under any term or provision of (i) the constating documents of Hakken, or any resolution of the directors or shareholders of Hakken or (ii) violate any Applicable Laws, including applicable Securities Laws, or any judgment, decree or order or any term or provision thereof applicable to Hakken or any of its assets or business.

(e) **Corporate Authority** – the execution, delivery and performance by Hakken of this Agreement and each additional agreement or instrument to be delivered pursuant to this Agreement including the Filing Statement and the completion of the transactions contemplated hereunder and thereunder, have been, or will be by the Closing Date, duly authorized by all necessary corporate action on the part of Hakken. Each of this Agreement and such additional agreements will constitute a legal, valid and binding obligation of Hakken and is enforceable against Hakken in accordance with its terms and conditions, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights and remedies of creditors and the general principles of equity.

(f) **Board Approval** – The Hakken Board has unanimously determined that the Transaction and entry into this Agreement are in the best interests of Hakken.

(g) **Required Approvals** – There is no requirement to obtain any Regulatory Approval or other third-party waiver or approval as a condition to the execution and delivery of this Agreement by Hakken or the completion by Hakken of the transactions contemplated by this Agreement, except the conditional approval of the TSXV as contemplated in Section 7.1(a)(5).

(h) **Corporate Records –** The corporate records and the minute books of Hakken that have been or will be provided to ESHBAL as part of the ESHBAL Due Diligence, including all constating documents, minutes of meetings and resolutions of shareholders, directors and any committees, the share certificates, securities registers and register of directors of Hakken are complete and accurate and all corporate proceedings and actions reflected in such corporate records and minute books have been conducted or taken in material compliance with all Applicable Laws and with the constating documents of Hakken. The Hakken Constating Documents are in the form contained in its minute book and no modifications or alterations have been proposed or approved by its shareholders, other than as will be required in connection with this Transaction.

(i) **Authorized and Issued Capital –** Hakken is authorized to issue an unlimited number of common shares. As at the date hereof, 11,985,695 Hakken Shares are issued and outstanding as fully paid and non-assessable shares. To the knowledge of Hakken, there are no shareholders' agreements, pooling agreements, voting trusts or other agreements or understandings with respect to the voting of all or any Hakken Shares.

(j) **Outstanding Securities** – As of the Agreement Date hereof, other than: (i) the 11,985,695 Hakken Shares issued and outstanding and (ii) the 660,000 Hakken Options, there are no equity securities or securities of Hakken that are convertible into equity securities that are issued and outstanding. Other than as contemplated by this Transaction and the Hakken Financing, no Person has or will have any right, agreement, warrant or option, present or future, contingent or absolute, or any right capable of becoming a right, agreement or option, for the purchase from Hakken of any interest in any of the outstanding shares or securities of Hakken, or for the issue or allotment of any unissued shares in the capital of Hakken or any other security directly or indirectly convertible into or exchangeable for such shares in the capital of Hakken, or to require Hakken to purchase, redeem or otherwise acquire any of the issued and outstanding Hakken Shares.

(k) **Consideration Shares and Performance Shares** – The Consideration Shares and the Performance Shares issuable upon exercise of the Performance Warrants, and any Hakken Shares issuable in connection with the Hakken Financing, including any Hakken Shares issuable upon conversion or exercise of any securities issuable pursuant to the Hakken Financing, the Corporate Finance Fee and the Finder's Fee when issued and upon receipt of Hakken of consideration therefor, as applicable, shall be validly issued as fully paid and non-assessable shares in the capital of Hakken, and free and clear of all Encumbrances, except for such resale restrictions required pursuant to applicable Securities Laws and any escrow restrictions required by the TSXV.

(l) **Dividends and Distributions –** No dividends or other distributions of any kind whatsoever on any shares in the capital of Hakken have been made, declared or authorized.

(m) **Compliance with Laws –** Hakken has and is conducting its business in compliance in all material respects with all Applicable Laws in the jurisdictions in which such business is carried on and any applicable judgment, decree, writ, injunction, directive, decision or order of any Governmental Authority or otherwise and Hakken has not received written notice from any Governmental Authority that it is not in compliance with any such Applicable Laws or applicable judgments, decrees, writs, injunctions, directives, decisions or orders; except for such breaches as would not reasonably be expected to have a Material Adverse Effect on Hakken.

(n) **No Unlawful Payments** – Neither Hakken, nor, to the knowledge of Hakken, any director, officer or employee or other person associated with or acting on behalf of Hakken has (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any provision of applicable foreign corrupt practices legislation, including the *U.S. Foreign Corrupt Practices Act* or the *Corruption of Foreign Public Officials Act* (Canada)*;* or (iv) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment.

(o) **No Options to Purchase Assets –** Other than pursuant to the Transaction and the Hakken Financing, there are no written or oral agreements, options, understandings or commitments, or any right or privilege capable of becoming such for the purchase or acquisition from Hakken of any of its assets.

(p) **Financial Condition**

(i) the Hakken Financial Statements are true and correct in every material respect and present fairly and accurately the financial position and results of the operations of Hakken for the periods reported upon;

(ii) the Hakken Financial Statements were prepared in accordance with IFRS applied on a consistent basis throughout the periods involved, in each case, except as otherwise indicated in the notes thereto;

(iii) except as disclosed in the Hakken Public Record, Hakken has not, since its incorporation, made any change in the accounting practices or policies applied in the preparation of its financial statements;

(iv) there has been no Material Adverse Effect on the business, prospects, operations, results of operations, assets, capitalization or condition, financial or otherwise, of Hakken from that shown in the Hakken Financial Statements and Hakken has not experienced, nor is it aware of, any occurrence or event which has, or might reasonably be expected to have, a Material Adverse Effect on the business, prospects, operations, results of operations, assets, capitalization or condition (financial or otherwise);

(v) the books and records of Hakken disclose all material financial transactions of Hakken, and such transactions have been fairly and accurately recorded;

(vi) other than as disclosed in the Hakken Financial Statements, Hakken has no material assets;

(vii) other than as disclosed in the Hakken Financial Statements and in connection with the Transaction, Hakken has no material liabilities, whether direct, indirect, absolute, contingent or otherwise;

(viii) other than in respect of the Transaction, Hakken has not entered into any material commitment or transaction not in the ordinary and usual course of business;

(ix) Hakken has not mortgaged, pledged, subjected to any lien, granted an option or a Security Interest in respect of or otherwise encumbered any of its assets or property, whether real or personal and whether tangible or intangible;

(x) Hakken is not indebted to or does not have any Liability (contingent or otherwise) to, any of the Hakken Shareholders, directors, officers or insiders of Hakken or any non-arm's length party. None of the Hakken Shareholders, nor any director, officer or other insider of Hakken or any non-arm's length party are indebted or under obligation to Hakken on any account whatsoever;

(xi) Hakken has not guaranteed or agreed to guarantee any debt, liability or other obligation of any kind whatsoever of any Person; and

(xii) to the knowledge of Hakken, there has been no fraud, whether or not material, that involves management or other employees who have a significant role in Hakken's internal control over financial reporting. Since the date of its incorporation, Hakken has received no (i) material complaints from any source regarding accounting, internal accounting controls or auditing matters, or (ii) expressions of concern from employees of Hakken regarding questionable accounting or auditing.

(q) **Related Party Transactions –** No current or former director, officer, employee or agent of Hakken or any other insider of Hakken, or any affiliate or associate of any of them is a party to any loan, Contract, arrangement or understanding or other transactions with Hakken, other than as described in the Hakken Public Record.

(r) **Taxes**

(i) All tax returns and reports of Hakken required by law to have been filed within the times and in the manner prescribed under all Applicable Laws and were have been filed and are substantially true, complete and correct and all taxes and other government charges of any kind whatsoever of Hakken have been paid, collected, withheld and remitted and no extension of time in which to file any tax returns is in effect;

(ii) adequate provision has been made for taxes payable by Hakken for the current period for which tax returns are not yet required to be filed and there are no agreements, waivers or other arrangements of any kind whatsoever providing for an extension of time with respect to the filing of any tax return by, or payment of, any tax or governmental charge of any kind whatsoever by Hakken;

(iii) Hakken has made all collections, deductions, remittances and payments of any kind whatsoever and filed all reports and returns required by it to be made or filed under the provisions of all applicable statutes requiring the making of collections, deductions, remittances or payments of any kind whatsoever in those jurisdictions in which Hakken carries on business;

(iv) no Tax Return of Hakken is being audited by the relevant taxing authority. There are no outstanding waivers, objections, extensions, or comparable consents regarding the application of the statute of limitations or period of reassessment with respect to any Taxes or Tax Returns that have been given or made by Hakken (including the time for filing of Tax Returns or paying Taxes). There are no pending requests for any such waivers, extensions, or comparable consents. Hakken has not received a ruling from any Governmental Authority or signed an agreement with any Governmental Authority that could reasonably be expected to have a Material Adverse Effect on Hakken;

(v) there are no actions, suits, examinations, proceedings, investigations, audits or claims now pending or threatened or, to the knowledge of Hakken, contemplated against Hakken in respect of any Taxes and there are no matters under discussion with any Governmental Authority relating to any Taxes; and

(vi) Hakken has not been subject to or is currently subject to any investigation, audit or visit by any Governmental Authority relating to Tax which has been notified to Hakken, and Hakken is not aware of any such investigation, audit or visit planned for the next 12 months.

(s) **Litigation –** There are no outstanding actions, suits, litigation, judgments, investigations or proceedings of any kind whatsoever against or affecting Hakken at law or in equity or before or by any Governmental Authority or other governmental department, commission, board, bureau or agency of any kind whatsoever nor are there, to the knowledge of Hakken, any pending or threatened.

(t) **Insurance** – Hakken has no insurance policies.

(u) **Assets –** Hakken has no assets other than cash or cash equivalents, has not commenced any commercial operations and has not and will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a potential "Qualifying Transaction" (as such term is defined in the CPC Policy). Hakken is not a party to, or under any agreement to become a party to, any lease with respect to real property. As of the Agreement Date, the cash and cash equivalents of Hakken is approximately $1.133 million.

(v) **Intellectual Property** - Hakken owns no Intellectual Property.

(w) **Material Contracts** – Schedule F sets out a list of all Material Contracts of Hakken. Other than the financial advisory agreement dated January 9, 2024 between Hakken and Haywood Securities Inc., copies of all of the Material Contracts of Hakken are filed on SEDAR+ and disclosed in the Hakken Public Record. All such Material Contracts are valid and subsisting agreements, enforceable in accordance with their terms. Hakken has performed all of the obligations required to be performed by it and, to the best of the knowledge of Hakken, Hakken is entitled to all benefits under its Material Contracts. Neither Hakken nor, to Hakken's knowledge, any other party to any Material Contract is in default of any such Material Contract. To the knowledge of Hakken, no event has occurred which, with the giving of notice, the lapse of time or both, would constitute an event of default by any other party to any such Hakken Material Contract, Hakken is not alleged to be in default of any of the provisions of such Hakken Material Contracts, and Hakken is not aware of any disputes with respect thereto.

(x) **Subsidiaries-** Hakken has no Subsidiaries, nor does it own, possess or have the right to acquire any securities of any other corporate entity.

(y) **Employment and Employee Plan Matters** - Hakken does not currently have, and has never had, any employees and does not have any obligation or liability to any current or former officer, director, employee or affiliate of Hakken. There are no written Contracts between Hakken and (i) any employees, contractors, officers or directors or (ii) any other party relating to payment, remuneration or compensation for work performed or services provided (other than professional advisors engaged by Hakken to provide services in connection with the Transaction, and other than for legal and accounting advisors in the normal course of business) or that would require any payment to be made as a result of the completion of the transactions contemplated in this Agreement. Hakken has no Employee Plans of any nature whatsoever, nor has Hakken ever had any such plans, other than its option plan. Hakken has operated and is currently operating in compliance with all Applicable Laws in all material respects relating to employees, including employment standards, human rights, occupational health and safety, all pay equity and employment equity legislation and there have been no employment related complaints against Hakken.

(z) **Complete Disclosure** - Hakken has filed all documents required to be filed by it in accordance with applicable Securities Laws with the regulatory authorities and the TSXV. All such documents and information comprising Hakken Public Record, as of their respective dates (or, if amended, as of the date of such amendment), (i) did not contain any untrue statement of 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 Securities Laws, and any amendments to Hakken Public Record required to be made have been filed on a timely basis with the applicable regulatory authorities and the TSXV. Hakken has not filed any confidential material change report with any applicable regulatory authorities or the TSXV that at the Agreement Date remains confidential. All documents and written information delivered by Hakken or of its representatives under or in connection with this Agreement to ESHBAL or its representatives are complete and correct in all material respects as of the Agreement Date. Neither Hakken, nor the directors, officers or other insiders of Hakken have withheld from ESHBAL any material information necessary to enable ESHBAL to make an informed assessment and valuation of the business, assets and liabilities of Hakken.

(aa) **Capitalization** – All outstanding shares of Hakken and other securities of Hakken have been issued and granted in compliance in all respects with Applicable Laws.

(bb) **Corporate Finance Fee and Finder's Fee** – Other than the Corporate Finance Fee and the Finder's Fee and except as may be payable in connection with the Hakken Financing, no Person is entitled to any brokerage fee, financial advisory fee, finder's fees or similar fee in connection with this Agreement or any of the transactions contemplated herein.

(cc) **Arm's Length** - Hakken's offer to acquire the ESHBAL New Units in accordance with this Agreement is an arm's length offer.

5.3 Representations and Warranties of ESHBAL Holders

In order to induce Hakken to enter into this Agreement and complete its obligations hereunder, each of the ESHBAL Holders represents and warrants to Hakken as follows:

(a) **Title** – Subject to the clarification set forth in Section 5.1(y) of the ESHBAL Disclosure Letter, the ESHBAL Holder is the registered and beneficial holder of its ESHBAL Units with good and marketable title thereto, free and clear of all Encumbrances, other than the restrictions on transfer contained in the ESHBAL articles of association and restrictions on transfer which apply due to Applicable Laws. No Person other than Hakken has, or has any right capable of becoming, any agreement, option, right or privilege for the purchase or other acquisition from the ESHBAL Holder of any of such ESHBAL Units. The redemption of the ESHBAL Units pursuant to the provisions of this Agreement, complies with the provisions of the ESHBAL articles of association and all Applicable Laws.

(b) **Capacity and Authority** – Subject to the clarification set forth in Section 5.1(y) of the ESHBAL Disclosure Letter, the ESHBAL Holder has good right, full power and absolute authority to deal with its ESHBAL Units in accordance with the terms of this Agreement, free of all Encumbrances, other than the restrictions on transfer contained in the ESHBAL articles of association and all Applicable Laws.

(c) **Necessary Proceedings** - All necessary or required measures, proceedings and actions of the ESHBAL Holder have been taken to authorize and enable it to enter into and deliver this Agreement and to perform its obligations hereunder.

(d) **Valid and Binding Obligation** - This Agreement has been duly executed and delivered by the ESHBAL Holder and constitutes a legal, valid and binding obligation of the ESHBAL Holder, enforceable against it in accordance with the terms of this Agreement, subject only to:

(i) any limitation under applicable Laws relating to bankruptcy, insolvency, moratorium, reorganization and other similar laws relating to or affecting the enforcement of creditors' rights generally; and

(ii) the fact that equitable remedies, including the remedies of specific performance and injunction, may only be granted in the discretion of a court.

(e) **Shares Subject to Escrow** – the ESHBAL Holder acknowledges that the Consideration Shares to be issued by Hakken to the ESHBAL Holder pursuant to this Agreement may be subject to resale restrictions pursuant to applicable Laws and to escrow requirements pursuant to the TSXV Policies, including, without limitation, the seed share resale rules as set out in Policy 5.4 – *Escrow, Vendor Consideration and Resale Restrictions* of the TSXV and to the Contractual Escrow.

(f) **Not a U.S. Person** – the ESHBAL Holder is not a U.S person, as such term is defined in Regulation S under the Securities Act of 1933, as amended, of the United States.

(g) **Prospectus and Registration Exemption** – the ESHBAL Holder acknowledges that:

(i) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Consideration Shares to be purchased by the ESHBAL Holder pursuant to this Agreement;

(ii) there is no government or other insurance covering the Consideration Shares;

(iii) there are risks associated with the purchase of the Consideration Shares;

(iv) there are restrictions on the ESHBAL Holder's ability to resell its Consideration Shares and it is the responsibility of the ESHBAL Holder to find out what those restrictions are and to comply with them before selling the Consideration Shares; and

(v) Hakken has advised ESHBAL Holder that Hakken is relying on an exemption from the requirements to provide the ESHBAL Holder with a prospectus under the Securities Act and, as a consequence of acquiring securities pursuant to this exemption, certain protections, rights and remedies provided by the Securities Act, including statutory rights of rescission or damages, will not be available to ESHBAL Holder.

(h) **ESHBAL Units Redemption Price** – Each ESHBAL Holder has examined the value of the Consideration Shares to be issued to it on the Closing Date and, subject to the offering price of the securities offered under the Hakken Financing being not less than $0.25 per Hakken Share (or unit) for aggregate minimum net proceeds of $1,750,000, has confirmed that the value of the Consideration Shares, after taking into account any restrictions relating to the transferability thereof, represent no less than the full "redemption amount", as such term is set forth in Article 10 of the Cooperative Association Ordinance (Membership).

6 CONDITIONS TO CLOSING

6.1 Mutual Conditions

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

(a) all necessary Regulatory Approvals shall have been obtained for the consummation of the Transaction, including the TSXV's conditional approval to the business combination of Hakken and ESHBAL, the issuance of the Performance Warrants, the listing of the Consideration Shares and the Performance Shares**,** and all other Transactions contemplated hereunder, subject to only customary conditions;

(b) following the Closing of the Transaction, the Resulting Issuer will at least satisfy the minimum listing requirements for a TSXV Tier 2 Industrial Issuer, as evidenced prior to Closing by the conditional approval letter issued by the TSXV;

(c) if required by the TSXV, Hakken and ESHBAL shall have obtained a sponsor report and independent valuation with respect to the Resulting Issuer satisfactory to the TSXV;

(d) there shall not exist any prohibition at law against, and there shall not be in force any order or decree restraining or enjoining, the completion of the Transaction or the trading of the Hakken Shares;

(e) there shall not be threatened in writing, instituted or pending any *bona fide* action or proceeding before any court or Governmental Authority or agency (i) challenging or seeking to make illegal, or to delay or otherwise directly or indirectly restrain or prohibit, the consummation of the transactions contemplated hereby or seeking to obtain material damages in connection with such transactions, (ii) seeking to prohibit direct or indirect ownership or operation by Hakken of all or a material portion of the business or assets of ESHBAL, or to compel Hakken or ESHBAL to dispose of or to hold separately all or a material portion of the business or assets of ESHBAL, as a result of the transactions contemplated hereby; (iii) seeking to invalidate or render unenforceable any material provision of this Agreement or any of the other agreements attached as exhibits hereto or contemplated hereby, or (iv) otherwise relating to and materially adversely affecting the Transaction;

(f) there shall not be any action taken, or any statute, rule, regulation, judgment, order or injunction proposed, enacted, entered, enforced, promulgated, issued or deemed applicable to the Transaction, by any federal, state or other court, government or governmental authority or agency, that would reasonably be expected to result, directly or indirectly, in any of the consequences referred to in Section 6.1(d) of this Agreement;

(g) the ESHBAL Filing Statement Financial Statements shall have been prepared and converted to IFRS in order to comply with applicable Securities Laws and the TSXV Policies;

(h) ESHBAL shall have received from the Israeli Tax Authority a pre-ruling to treat the Transaction as a tax deferred acquisition, such that Hakken shall be exempt from withholding Israeli tax with respect to payments made or delivered to the 103 Agent for further disbursement to the ESHBAL Holders pursuant to this Agreement (the "**Pre-Ruling**");

(i) the Resulting Issuer Directors shall have been validly appointed as the board of directors of Resulting Issuer effective as of the Closing Date and the TSXV shall not have objected to the appointment of the ESHBAL nominees to the board of directors of the Resulting Issuer as set out in Section 3.3(c) of this Agreement; and

(j) the distribution of Consideration Shares, the Performance Warrants and the Performance Shares pursuant to the Transaction shall be exempt from prospectus requirements, and from applicable takeover bid rules under applicable Securities Laws either by virtue of exemptive relief from the securities regulatory authorities of the applicable provinces of Canada or by virtue of applicable exemptions under Securities Laws.

6.2 Conditions of ESHBAL and the ESHBAL Holders

The obligations of ESHBAL and the ESHBAL Holders to complete the Transaction are subject to the fulfilment of the following conditions on or before the Closing Date:

(a) the Hakken Financing shall have been completed for net proceeds of at least $1,750,000 at an offering price of not less than $0.25 per Hakken Share (or unit), such that pursuant to Section 6.2(d) of this Agreement, Hakken shall have at Closing a minimum total available net cash of $2,500,000;

(b) the Consideration Shares will be validly issued to the ESHBAL Holders as fully paid and non-assessable shares in the capital of Hakken, free and clear of all Encumbrances, except for such resale restrictions imposed under applicable Securities Laws and escrow restrictions imposed by the TSXV and the Contractual Escrow, if any;

(c) Hakken Shares issuable in connection with the Corporate Finance Fee and the Finder's Fee shall be validly issued as fully paid and non-assessable shares in the capital of Hakken;

(d) Hakken shall have cash on hand of not less than $2,500,000 and all other Liabilities of Hakken shall have been satisfied;

(e) except as affected by the Transaction contemplated herein, the representations and warranties of Hakken contained herein shall be true in all material respects (save and except for any representation or warranty already qualified by materiality, which shall be true and correct in all respects) as of the Closing Date with the same effect as though such representations and warranties had been made at and as of such time, and Hakken shall have delivered a certificate confirming the same, dated the Closing Date and addressed to ESHBAL and executed by two senior officers of Hakken (in each case, to their knowledge and without personal liability);

(f) Hakken shall have fulfilled or complied in all material respects with each of its covenants contained in this Agreement to be fulfilled or complied with by it on or prior to the Closing Time, and Hakken shall have delivered a certificate confirming the same, dated the Closing Date and addressed to ESHBAL and executed by two senior officers of Hakken (in each case, to their knowledge and without personal liability);

(g) all other necessary corporate (and shareholder, if necessary) action shall have been taken by Hakken to permit the consummation of the Hakken Financing, the Name Change, the Transaction and the Resulting Issuer Director and officer appointments, and ESHBAL shall have received from Hakken copies of the records of all corporate action taken to authorize the execution, delivery, and performance of this Agreement and the Transaction, certified by a duly authorized officer thereof to be true and complete as of the Closing Time;

(h) all consents and approvals which are required or necessary to be obtained by Hakken for the completion of the transactions contemplated under this Agreement shall have been obtained, received or waived;

(i) Hakken shall not have undertaken any business, other than in connection with the completion of the Transaction and the entering into of this Agreement and related Transaction documentation;

(j) the Name Change and any other corporate changes, reasonably requested by ESHBAL, shall each have been completed;

(k) no Material Adverse Effect affecting the business, affairs, assets financial condition or operations of Hakken shall have occurred between the Agreement Date and the Closing Date;

(l) the ESHBAL Due Diligence investigations shall have been completed to the satisfaction of ESHBAL in its sole discretion;

(m) ESHBAL's consolidated net profit immediately prior to the Closing Date will have been allocated to the ESHBAL Holders;

(n) since the Agreement Date, no action, regulatory action, investigation, suit or proceeding shall have been taken before or by any Person against Hakken (whether or not purportedly on behalf of Hakken) that would, if successful, have a Material Adverse Effect on Hakken, in the sole discretion of ESHBAL, acting reasonably;

(o) each of the officers and directors of Hakken, other than David Eto as a director, immediately prior to the Closing Time, shall deliver duly executed resignations from their positions with Hakken and mutual releases effective with the completion of the Transaction;

(p) the management of Hakken shall have been reconstituted such that all members of the management team shall be nominees of ESHBAL, pursuant to Section 3.3 of this Agreement and the TSXV shall not have objected to the appointment of such management team of the Resulting Issuer as set out in Section 3.3(c) of this Agreement;

(q) as at the Closing Date, Hakken will have positive working capital and no long-term debt or other Liabilities, including loans from directors or officers;

(r) Hakken shall have delivered all applicable closing deliveries pursuant to Section 7.1(a) of this Agreement;

(s) Immediately following this issuance of the Consideration Shares and the Performance Warrants, Hakken shall have 60,985,695 Hakken Shares, 16,000,000 Performance Warrants and 660,000 Hakken Options outstanding, other than any securities issued or issuable pursuant to exercise of the Performance Warrants, the Hakken Financing, the Corporate Finance Fee and the Finder's Fee, and no other Hakken Shares or securities exercisable or convertible into Hakken Shares shall be issued and outstanding; and

(t) Hakken shall have delivered to each ESHBAL Holder or, to the extent required by the TSXV and pursuant to the Contractual Escrow, to an escrow agent selected by Hakken and

ESHBAL, acting reasonably, (the "**Escrow Agent**"), certificates or DRS duly registered in the name of such ESHBAL Holder evidencing the number of Consideration Shares to which such ESHBAL Holder is entitled pursuant to this Agreement.

The conditions set forth in this Section 6.2 are for the exclusive benefit of ESHBAL and the ESHBAL Holders and may be waived by the Representative, on behalf of ESHBAL and the ESHBAL Holders, in writing in whole or in part on or before the Closing Date. Notwithstanding any such waiver, completion of the Transactions as contemplated by this Agreement shall not prejudice or affect in any way the rights of ESHBAL and the ESHBAL Holders in respect of the warranties and representations of Hakken set forth in this Agreement or any remedies which ESHBAL and the ESHBAL Holders may have hereunder or at law

6.3 **Conditions of Hakken**

The obligations of Hakken to complete the Transaction are subject to the fulfillment of the following conditions on or before the Closing Date (or the date indicated below, as applicable):

(a) except as affected by the transactions contemplated herein, the representations and warranties of ESHBAL and the ESHBAL Holders contained herein shall be true in all material respects (save and except for any representation or warranty already qualified by materiality, which shall be true and correct in all respects) as of the Closing Date and each of ESHBAL and the ESHBAL Holders shall have delivered a certificate confirming the same, dated the Closing Date and addressed to Hakken and executed by two senior officers of ESHBAL (in each case, to their knowledge and without personal liability);

(b) ESHBAL shall have fulfilled or complied in all material respects with each of its covenants contained in this Agreement to be fulfilled or complied with by it on or prior to the Closing Time, and ESHBAL shall have delivered a certificate confirming the same, dated the Closing Date and addressed to Hakken and executed by two senior officers of ESHBAL (in each case, to the best of their knowledge having made reasonable inquiry and without personal liability);

(c) each of the acts and undertakings to be performed by the ESHBAL Holders or ESHBAL on or before the Closing Date pursuant to the terms of this Agreement shall have been duly performed by the ESHBAL Holders or ESHBAL, as applicable;

(d) each of ESHBAL and the ESHBAL Holders shall have adopted all necessary resolutions, and all other necessary corporate action shall have been taken by ESHBAL and the ESHBAL Holders, respectively, to permit the completion of the Transaction;

(e) no Material Adverse Effect affecting the business, affairs, assets financial condition or operations of ESHBAL shall have occurred between the Agreement Date hereof and the Closing Date;

(f) on or before May 20, 2024, ESHBAL shall have provided the ESHBAL Filing Statement Financial Statements required for the Filing Statement. Notwithstanding the foregoing, in the event that an extension is requested by ESHBAL, Hakken shall not unreasonably withhold granting an extension to August 20, 2024 provided ESHBAL has made significant progress to completing the ESHBAL Filing Statement Financial Statements;

(g) the ESHBAL Holders shall have tendered all, but not less than all, of the ESHBAL Units, to ESHBAL for redemption and cancellation**,** such that Hakken shall, immediately after the Closing, be the beneficial owner of 100% of the ESHBAL New Units;

(h) the ESHBAL Holders shall have unconditionally and irrevocably waived, in writing, any claim that the Consideration Shares, taking into account any restrictions which apply to the transferability thereof, are valued at less than the full value of the ESHBAL Units being redeemed by the ESHBAL holders, as and if required by any Applicable Laws;

(i) since the Agreement Date, no action, regulatory action, investigation, suit or proceeding shall have been taken before or by any Person against ESHBAL (whether or not purportedly on behalf of ESHBAL) that would, if successful, have a Material Adverse Effect on ESHBAL, in the sole discretion of Hakken, acting reasonably;

(j) the Hakken Due Diligence investigations shall have been completed to the satisfaction of Hakken in its sole discretion, provided that unless the Hakken Due Diligence reveals any findings that would have a Material Adverse Effect on ESHBAL or ESHBAL has withheld any Material Fact from Hakken, Hakken shall not be entitled to terminate this Agreement due to any Hakken Due Diligence finding between the Agreement Date and the Closing;

(k) the Escrow Agreement, pursuant to which the Consideration Shares issued to certain ESHBAL Holders under this Agreement will be held in escrow pursuant to the TSXV Policies, shall have been executed and delivered by such ESHBAL Holders as may be required by the TSXV;

(l) upon completion of the Hakken Financing and receipt of the conditional approval of the TSXV to the Transaction, the ESHBAL Holders shall have entered into an escrow agreement pursuant to which the Consideration Shares will be held in escrow until such time that the ESHBAL Corporate Conversion is complete (the "**Contractual Escrow**"); and

(m) ESHBAL shall have commenced the Corporate Conversion.

The conditions set forth in this Section 6.3 are for the exclusive benefit of Hakken and may be waived by Hakken, in writing in whole or in part on or before the Closing Date. Notwithstanding any such waiver, completion of the Transactions as contemplated by this Agreement shall not prejudice or affect in any way the rights of Hakken in respect of the warranties and representations of ESHBAL and the ESHBAL Holders set forth in this Agreement or any remedies which Hakken may have hereunder or at law.

7 CLOSING DELIVERABLES

7.1 Closing

At the Closing Time, the Parties will deliver the following documentation, and any other closing deliveries customary for a transaction of this nature.

(a) Hakken will deliver or cause to be delivered to ESHBAL:

(i) certified copy of resolutions of the board of directors of Hakken approving the Transaction and all matters contemplated in this Agreement, including the Signatory Rights, in a form acceptable to ESHBAL, acting reasonably;

(ii) certified copy of resolutions of the Hakken Shareholders approving all required matters related to the Transaction contemplated herein, if required, and the reconstitution of the board of directors of Hakken pursuant to Section 3.3 of this Agreement;

(iii) duly executed written application to join ESHBAL as a member;

(iv) written confirmation of Hakken bank account balance, as referred to in Section 6.2(b) of this Agreement, in a form acceptable to the ESHBAL, acting reasonably;

(v) evidence of the completion of the Hakken Financing, including the issuance of the applicable Hakken Shares or other securities of Hakken issued in connection with the Hakken Financing, or if the Hakken Financing is completed by way of a subscription receipt financing or other securities of Hakken which are to be exchanged or converted into Hakken Shares (or units) or other securities subject to certain conditions related to the completion of the Transaction, the exchange or conversion of such subscription receipts or other securities of Hakken in accordance with the terms and conditions of such securities, and evidence of receipt by Hakken of the net proceeds of the Hakken Financing, in a form satisfactory to ESHBAL, acting reasonably;

(vi) certificates representing and/or other electronic evidences of the Consideration Shares and the Performance Warrants issued and registered in the respective names of the ESHBAL Holders; provided however that any certificates evidencing Consideration Shares and the Performance Warrants that are required to be escrowed by the TSXV may be delivered to the Escrow Agent in accordance with the requirements of TSXV Policies;

(vii) written evidence of the conditional approval of the TSXV of the listing of the Resulting Issuer, the issuance of the Performance Warrants, the listing of the Consideration Shares, the Performance Shares and any other securities issuable in connection with the Transaction, the Hakken Financing, the Corporate Finance Fee, the Finder's Fee and the Hakken Shares reserved for issuance under the Hakken Option Plan, the completion of the Transaction and all matters incidental thereto as contemplated or permitted herein, including the Name Change, and the changes to the board and management of the Resulting Issuer as contemplated by Section 3.3 of this Agreement, the terms of such conditional approval acceptable to the Parties acting reasonably;

(viii) resignations of the applicable directors and officers of Hakken and a release of all claims against Hakken up to the Closing Time by each such director and officer in a form satisfactory to ESHBAL, acting reasonably;

(ix) consents to act for the proposed Hakken nominees to the board of directors of the Resulting Issuer;

(x) an issued and outstanding letter from TMX Trust Company, the registrar and transfer agent of the Hakken Shares, reflecting the issuance of the Consideration Shares;

(xi) if required pursuant to the ESHBAL Corporate Conversion process, an agreement between Hakken and the Assignee(s) in respect of the ownership of the ESHBAL New Units issued to the Assignee(s); and

(xii) the officers' certificates specified in Section 6.2 of this Agreement, including a list of outstanding Hakken Options and setting forth Hakken's Liabilities as at the Closing Date.

(b) ESHBAL will deliver to Hakken:

(i) certified copies of the resolutions of the management committee and the general meeting of ESHBAL approving the Transaction, including the redemption of the ESHBAL Units held by the ESHBAL Holders, the acceptance of Hakken and the Assignee(s) as members of ESHBAL and the issuance of the ESHBAL New Units to Hakken and to the Assignee(s);

(ii) a certified true copy of the register of members of ESHBAL, showing Hakken and the Assignee(s) as the members of ESHBAL;

(iii) consents to act for proposed directors and personal information forms for proposed directors and officers to be appointed to Hakken nominated by ESHBAL;

(iv) First International Bank of Israeli's consent to the Transaction;

(v) the Pre-Ruling;

(vi) an extract of registered details of ESHBAL from the Registrar of Cooperatives website, in the form attached hereto as Schedule 7.1(b)(vi);

(vii) written evidence that the plan of the commencement of the ESHBAL Corporate Conversion has been submitted to the Registrar of Cooperatives; and

(viii) the officers' certificates specified in Section 6.3 of this Agreement.

(c) Each of the ESHBAL Holders will cause to be delivered to Hakken and ESHBAL:

(i) written notice to ESHBAL requesting ESHBAL to redeem all of such ESHBAL Holder's ESHBAL Units and to issue the same number of ESHBAL New Units to Hakken;

(ii) the escrow agreement in respect to the Contractual Escrow duly executed and delivered by each ESHBAL Holder; and

(iii) if applicable, the Escrow Agreement duly executed and delivered by such ESHBAL Holder as required by the TSXV.

8 CONFIDENTIALITY; PUBLICITY

8.1 **Confidentiality**

(a) Each of the Parties acknowledges that the other Parties have or will be providing information that is non-public, confidential, and proprietary in nature (the "**Confidential**

Information"), and as such, each of the Parties, on its own behalf and on behalf of its respective affiliates, representative, agents, lawyers, accountants and employees, will keep the Confidential Information confidential and will not, except as otherwise provided below, disclose such information or use such information for any purpose other than for negotiation of this Agreement and the evaluation and consummation of the Transaction provided however that this provision will not apply to information that:

(i) becomes generally available to the public absent any breach of this provision;

(ii) was available on a non-confidential basis to each of the Parties prior to its disclosure; or

(iii) becomes available on a non-confidential basis from a third party who is not bound to keep such information confidential;

(b) Each of the Parties agrees that it will not make any public disclosure of the existence of this Agreement or of any of its terms without first advising the other Parties of the proposed disclosure, unless such disclosure is required by Applicable Laws or regulation including in accordance with the TSXV Policies, and in any event any of the Parties contemplating disclosure will inform the other Parties in advance of and obtain the requisite consent of such Parties to the form and content of such disclosure, which consent will not be unreasonably withheld or delayed, provided that no Party shall be prevented from making any disclosure which is required to be made by law or any rules of a stock exchange or similar organization to which it is bound; and

(c) Each of the Parties agrees that immediately upon the termination of this Agreement and/or any discontinuance of activities by any of the Parties such that the Transaction will not be consummated, to destroy all Confidential Information or return all Confidential Information to the respective Parties, except for preserving one copy of the Confidential Information for internal corporate purposes.

9 TERMINATION

9.1 By Hakken and ESHBAL

Each of Hakken and ESHBAL (through the Representative) will, in its sole discretion, have the right to terminate this Agreement if the Closing does not occur on or before the Termination Date, provided, that the right to terminate this Agreement under this section shall not be available to any Party whose failure to fulfill any of its obligations under this Agreement has been the cause of or resulted in the failure to consummate the transactions contemplated hereby by the Termination Date.

9.2 By Hakken

This Agreement may be terminated by Hakken in the event of (a) a material breach of any representation or warranty or material failure to perform any covenant or agreement on the part of ESHBAL or the ESHBAL Holders set forth in this Agreement, that will have occurred that would cause the conditions set forth in Section 6 of this Agreement not to be satisfied, and such conditions are incapable of being satisfied by the Termination Date, as reasonably determined by Hakken; provided, however, that (i) Hakken is not then in material breach of any of its representations, warranties or covenants under this Agreement, and (ii) if such breach is capable of being cured prior to the Termination Date, ESHBAL or the ESHBAL Holders has been given notice of such breach and given 10 Business Days to cure any such misrepresentation, breach or non-performance and fails to cure such misrepresentation, breach or non-performance by the end of such 10 Business Day period, and (b) any permanent injunction or other order of a court or other competent authority preventing the consummation of the Transaction shall become final and non-appealable.

9.3 **By ESHBAL**

This Agreement may be terminated by ESHBAL (through the Representative) in the event of (a) a material breach of any representation or warranty or material failure to perform any covenant or agreement on the part of Hakken set forth in this Agreement that will have occurred that would cause the conditions set forth in Section 6 of this Agreement not to be satisfied, and such conditions are incapable of being satisfied by the Termination Date, as reasonably determined by ESHBAL (through the Representative); provided, however, that (i) ESHBAL is not then in material breach of any of its representations, warranties or covenants under this Agreement, and (ii) if such breach is capable of being cured prior to the Termination Date, Hakken has been given notice of such breach and given 10 Business Days to cure any such misrepresentation, breach or non-performance and fails to cure such misrepresentation, breach or non-performance by the end of such 10 Business Day period, and (b) any permanent injunction or other order of a court or other competent authority preventing the consummation of the Transaction shall become final and non-appealable.

9.4 **Effect of Termination**

In the event that this Agreement is validly terminated as provided herein, each of the Parties shall be relieved of their duties and obligations arising under this Agreement after the date of such termination, and such termination shall be without Liability to the Parties, or their respective officers, directors, members, shareholders or affiliates; provided, however, that the obligations of the Parties set forth in Section 8 (Confidentiality; Publicity), this Section 9 (Termination) and Section 13 (General), including specifically Section 13.3 (Expenses) and all other relevant definitions under this Agreement, shall survive any such termination and shall be enforceable hereunder.

10 NOTICE

10.1 **Notice**

Any notice, request, demand, election and other communication of any kind whatsoever to be given under this Agreement will be in writing and will be delivered by hand, emailed or mailed by prepaid registered post to the Parties at their following respective addresses:

(a) In the case of notice to Hakken:

Hakken Capital Corp.
4626 Lockehaven Place
North Vancouver, BC
V7G 2B8

Attention: Dave Eto
Email: REDACTED

(b) In the case of notice to ESHBAL and the ESHBAL Holders, to the Representative:

ESHBAL Functional Food (Agricultural Cooperative) Ltd.
Kibbutz Ma'anit
3785500, Israel

Attention: Mr. Yuval Levy, Chairman and Director
Email: REDACTED

or to such other addresses as may be given in writing by the Parties hereto in the manner provided for in this Section. Any notice delivered or emailed prior to 5:00 p.m. (Pacific time) on a Business Day will be deemed to have been given and received on date of delivery or emailing, as the case may be. Any notice delivered or emailed after 5:00 p.m. (Pacific time) on a Business Day, or on a day that is not a Business Day, will be deemed to have been given and received on the next Business Day following the date of delivery or emailing, as the case may be.

11 COLLECTION OF PERSONAL INFORMATION

11.1 **Collection of Personal Information**

Each of the Parties acknowledges and consents to the fact that Hakken is collecting the personal information of the ESHBAL Holders which may be disclosed by Hakken to:

(i) a stock exchange, including the TSXV, or securities regulatory authorities;

(ii) Hakken's registrar and transfer agent;

(iii) Canadian tax authorities;

(iv) authorities pursuant to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada);

(v) any other applicable Governmental Entity requiring such information; and

(vi) any other parties involved in the Transaction, including legal counsel;

each of the ESHBAL Holders are deemed to be consenting to the foregoing collection, use and disclosure of the personal information as that term is defined under applicable privacy legislation, including the *Personal Information Protection and Electronic Documents Act* (Canada) and any other applicable similar, replacement or supplemental provincial or federal legislation or laws in effect in Canada from time to time) of the ESHBAL Holders and to the retention of such personal information for as long as permitted or required by law. Each of the ESHBAL Holders also consent to the filing of copies or originals of any of Hakken's documents as may be required to be filed with a stock exchange or any securities regulatory authority in connection with the Transaction. An officer of Hakken is available to answer questions about the collection of personal information.

12 STANDSTILL AGREEMENT

12.1 **Standstill**

From the Agreement Date until the earlier of: (i) the Closing of the Transaction contemplated herein, (ii) the earlier termination hereof pursuant to Section 8 of this Agreement, or (iii) the Termination Date, ESHBAL and Hakken has not and will not, directly or indirectly, solicit, initiate, assist, facilitate, promote or encourage proposals or offers from, entertain or enter into discussions or negotiations with, or provide information relating to its securities or assets, business, operations, affairs or financial condition to any Persons in connection with the acquisition or distribution of any securities of ESHBAL or Hakken, or any amalgamation, merger, consolidation, arrangement, restructuring, refinancing, sale of any material assets of ESHBAL or Hakken, or with respect to an Alternative Transaction, unless such action, matter or transaction is (i) part of the transactions contemplated in this Agreement, (ii) satisfactory to, and is approved in writing in advance by ESHBAL or Hakken, as applicable, (iii) is necessary to carry on the normal course of business or (iv) required as a result of the fiduciary duties of the directors and officers of the relevant company.

13 GENERAL

13.1 Time

Time and each of the terms and conditions of this Agreement will be of the essence of this Agreement and any waiver by the Parties of this Section or any failure by them to exercise any of their rights under this Agreement will be limited to the particular instance and will not extend to any other instance or matter in this Agreement or otherwise affect any of their rights or remedies under this Agreement.

13.2 Further Assurances

The Parties hereto will execute and deliver all such further documents and instruments and do all such acts and things as any Party may, either before or after the Closing, reasonably require of the others in order that the full intent and meaning of this Agreement is carried out. The provisions contained in this Agreement which, by their terms, require performance by a Party to this Agreement subsequent to the Closing, will survive the Closing.

13.3 Expenses

The Parties will, pay their own costs, fees and expenses incurred in connection with this Agreement, the Transaction and all related filings, documents and matters; provided however that Hakken will be solely responsible for: (i) paying all TSXV or other Canadian regulatory filing fees required in connection with the transactions contemplated herein, including, without limitation, all costs associated with the filing of personal information forms required by the TSXV to be filed by ESHBAL or ESHBAL Holders for proposed directors and officers of the Resulting Issuer, for the 10% shareholders of the Resulting Issuer, cost of listing statements, information circular, or prospectus preparation (if applicable), sponsor report and independent valuation satisfactory to the TSXV (if required) and any other cost (including translation costs) incurred by ESHBAL in order to comply with the TSXV Policies and/or Hakken's requirements and/or examinations; (ii) paying all costs and expenses of the Hakken Financing, including any upfront advances required by any consultants/finders (including Haywood Securities Inc.) in connection with the Hakken Financing; (iii) in case the Agreement is terminated for any reason in accordance with the terms of this Agreement (including failure to complete the Hakken Financing) other than as a result of negligence, bad faith or material breach by ESHBAL or failure to obtain TSXV listing approval of the Resulting Issuer due to ESHBAL's failure to meet the TSXV listing requirements or any requirements of the TSXV, ESHBAL's cost incurred in connection with the preparation of the ESHBAL Filing Statement Financial Statements (i.e. conversion from Israeli GAAP to IFRS), the Pre-Ruling and the ESHBAL Corporate Conversion, including any legal opinions required by the TSXV with respect to the ESHBAL corporate existence as an agricultural cooperative.

13.4 **Amendments**

No alteration, amendment, modification or interpretation of this Agreement or any provision of this Agreement will be valid or binding upon the Parties hereto unless such alteration, amendment, modification or interpretation is in written form executed by Hakken and the Representative.

13.5 **Assignment**

This Agreement may not be assigned by any Party without the prior written consent of the Representative and Hakken.

13.6 **Governing Law**

This Agreement will be subject to, governed by, and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. Any dispute arising under or in relation to the binding provisions in this Agreement and all other agreements contemplated herein and therein, will be resolved in the competent court located in: (a) in case ESHBAL or an ESHBAL Holder is the claiming party - the Courts of the Province of British Columbia; and (b) in case Hakken is the claiming party - the competent court located in Tel Aviv-Jaffa, Israel.

Notwithstanding the above, nothing in this Section 14.6 shall be construed as abrogating the right of a Party which has been sued in relation to this Agreement to bring any action (including, without limitation, a countersuit or a third-party notice) in the same venue in which it has been sued.

13.7 **Severability**

If any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect in any jurisdiction, the validity, legality and enforceability of such provision or provisions will not in any way be affected or impaired thereby in any other jurisdiction and the validity, legality and enforceability of the remaining provisions contained herein will not in any way be affected or impaired thereby, unless in either case as a result of such determination this Agreement would fail in its essential purpose.

13.8 **Entire Agreement**

This Agreement constitutes the entire agreement between the Parties hereto with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties hereto with respect thereto, including for greater certainty the Letter of Intent. The parties agree that the Letter of Intent is terminated upon the execution hereof. 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.

13.9 **Enurement**

This Agreement will enure to the benefit of and be binding upon the Parties hereto and their respective successors, permitted assigns, trustees, representatives, heirs and executors.

13.10 **Independent Legal Advice**

Each of ESHBAL and the ESHBAL Holders acknowledge and confirm that it has been advised to seek, and has sought or has otherwise waived, independent legal advice with respect to this Agreement and that the legal counsel to Hakken that prepared this Agreement is not protecting the rights and interests of any other Party to this Agreement. Hakken acknowledges and confirms that it has sought independent legal advice with respect to this Agreement and that the legal counsel to ESHBAL is not protecting the rights and interests of Hakken.

13.11 Representative

ESHBAL and each ESHBAL Holder, by its execution of this Agreement, irrevocably appoints Yuval Levy (the "**Representative**") as their representative, agent and proxy for all purposes of this Agreement and any other agreements ancillary hereto, including the full power and authority on ESHBAL and such ESHBAL Holder's behalf (i) to consummate the transactions contemplated hereby, (ii) to receive any notice, proceeding or claim which may be given to ESHBAL and the ESHBAL Holders, (iii) to execute and deliver on behalf of ESHBAL and ESHBAL Holders any amendment to the terms hereof or any other agreements ancillary hereto, (vi) to take all other actions to be taken by or on behalf of ESHBAL and ESHBAL Holders in connection herewith or any other agreements ancillary hereto, (v) to do each and every act and exercise any and all rights which ESHBAL and ESHBAL Holders are permitted or required to do or exercise in connection with this Agreement and any other agreements ancillary hereto. The Representative shall act for ESHBAL and the ESHBAL Holders on all of the matters set forth in this Agreement and any other agreements ancillary hereto. All decisions and actions by the Representative made in accordance with the authority granted to it hereunder shall be binding upon ESHBAL and all of the ESHBAL Holders, and neither ESHBAL nor ESHBAL Holders shall have the right to object, dissent, protest or otherwise contest the same.

13.12 Counterparts

This Agreement may be executed in counterpart and by electronic means, and each copy so signed will be deemed to be an original, and all such counterparts together will constitute one and the same instrument.

[Signature page to follow]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement in good faith on the date first above written.

HAKKEN CAPITAL CORP.

(signed) David Eto

Name: David Eto
Title: Chief Executive Officer

ESHBAL FUNCTIONAL FOOD (AGRICULTURAL COOPERATIVE) LTD.

(signed) Iftach Keren

Name: Iftach Keren
Title: Chief Executive Officer

ESHBAL TRADING LTD

(signed) Yuval Levy

Name: Yuval Levy

L.D. BAREL LTD.

(signed) David Bar-Meir

Name: David Bar- Meir

CANNIBBLE FOOD TECH LTD.

(signed)

Name:

Schedule A - The ESHBAL Holders and ESHBAL Units

ESHBAL HOLDERS

Prior to Cannibble Dilution

Name and Address of Unitholder	Name and Address of Control Person or Beneficial Holder	Number of ESHBAL Units	Approximate % of Total Issued and Outstanding of ESHBAL Units	Number of Consideration Shares to be received
Eshbal Trading Ltd. ADDRESS REDACTED	Noki Infant Products Ltd.	724	66.79%	32,727,100
L.D. Barel Ltd. Kibbutz Ma'anit 3785500, Israel	David Bar Meir	276	25.46%	12,475,400
Cannibble Food Tech Ltd. ADDRESS REDACTED	A company listed on the CSE with no Control Person	84	7.75%	3,797,500
TOTAL		**1,084**	**100%**	**49,000,000**

For illustrative purposes only, ESHBAL Holders and ESHBAL Units following Cannibble Dilution, under the assumption that the Hakken Financing will be at an offering price of $0.25 per Hakken Share (or unit) and for aggregate net proceeds of at least $1,750,000.

Name and Address of Unitholder	Name and Address of Control Person or Beneficial Holder	Number of ESHBAL Units	Approximate % of Total Issued and Outstanding of ESHBAL Units	Number of Consideration Shares to be received
Eshbal Trading Ltd. ADDRESS REDACTED	Noki Infant Products Ltd.	724	70.29%	34,442,100

L.D. Barel Ltd. Kibbutz Ma'anit 3785500, Israel	David Bar Meir	276	26.80%	13,132,000
Cannibble Food Tech Ltd. ADDRESS REDACTED	A company listed on the CSE with no Control Person	30	2.91%	1,425,900
TOTAL		1,030	**100%**	**49,000,000**

Schedule B - Hakken Pre and Post Closing Capitalization Table

Schedule C - ESHBAL Holders Loan

Shareholders loan in ESHBAL's books dated 31.12.23

REDACTED – ESHBAL SHAREHOLDER LOAN INFORMATION

Schedule D - Existing Facility

ESHBAL's line of credit in FIBI Bank (existing facility) consists of:

REDACTED – DESCRIPTION OF ESHBAL LOAN FACILITIES

Schedule E – Signatory Rights

Immediately after the Closing, Hakken shall take all necessary steps to ensure authorized signatories of the Resulting Issuer include any two directors or officers nominated by ESHBAL that are listed in Section 3.3(c) of this Agreement.

Schedule F - Hakken Material Contracts

Financial advisory agreement dated January 9, 2024 between Hakken and Haywood Securities Inc.

Amended and Restated CPC Escrow Agreement dated April 25, 2022 among Hakken, TSX Trust Company and certain securityholders of Hakken

Transfer Agent, Registrar and Disbursing Agent Agreement dated June 5, 2019 between Hakken and TSX Trust Company (formerly AST Trust Company)