EXECUTION VERSION

HEPPELL'S POTATO CORP.

and

PELA HOLDINGS LTD.

as Vendors

- and -

EVERGEN INFRASTRUCTURE CORP.

as Purchaser

- Regarding -

FRASER VALLEY BIOGAS LTD.

SHARE PURCHASE AGREEMENT

APRIL 16, 2021

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SHARE PURCHASE AGREEMENT dated April 16, 2021.

BETWEEN:

HEPPELL'S POTATO CORPORATION ("**Heppells**")

AND:

PELA HOLDINGS LTD. ("**Pela**" and together with Heppells, the "**Vendors**" and each a "**Vendor**")

AND:

EVERGEN INFRASTRUCTURE CORP. (the "**Purchaser**")

RECITALS:

A. Fraser Valley Biogas Ltd. (the "**Company**") is a company incorporated under the laws of the Province of British Columbia that carries on a business of renewable natural gas generation (the "**Business**").

B. The Vendors collectively own all of the issued and outstanding shares of the Company.

C. The Vendors wish to sell and the Purchaser wishes to purchase all of the shares of the Company owned by the Vendors.

D. Heppells owns the legal and beneficial title to the Purchased Real Property and the Purchaser wishes to purchase, the Purchased Real Property.

THE PARTIES AGREE AS FOLLOWS:

ARTICLE 1
INTERPRETATION

1.1 Definitions. In this Agreement, including the Recitals to this Agreement, unless the context otherwise requires:

(1) "**Accounts Receivable**" means all accounts receivable, trade accounts receivable, notes receivable, book debts and other debts due or accruing due to the Company, and the full benefit of any related security.

(2) "**Affiliate**" means with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person. A Person shall be deemed to "**control**" another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise; and the term "**controlled**" shall have a similar meaning.

(3) "**Agreement**" means this share purchase agreement, including the Disclosure Letter, Appendices and Exhibits to this share purchase agreement, as amended, supplemented, restated and replaced from time to time in accordance with its provisions.

(4) "**Applicable Law**" means any domestic (federal, provincial or municipal) or foreign statute, law (including common and civil law), code, ordinance, rule, regulation, order-in-council, restriction or by-law

(zoning or otherwise), judgment, order, writ, injunction, directive, decision, ruling, decree or award, regulatory policy, practice, standard or guideline, published administrative position or Permit of any Governmental Authority, binding on or affecting the Person referred to in the context in which the term is used or binding on or affecting the property of that Person or binding on or affecting an Employee Plan referred to in the context in which the term is used, and for greater certainty includes the Tax Act in respect of an Employee Plan that qualifies for or purports to qualify for a particular type of plan thereunder or that has or purports to have Tax-favoured treatment.

(5) "**Approvals**" means franchises, licences, qualifications, authorizations, consents, certificates, registrations, exemptions, waivers, filings, grants, notifications, privileges, rights, orders, judgments, rulings, directives, permits, and other permits and approvals of any Person other than a Governmental Authority.

(6) "**Appurtenances**" means, with respect to any real property, (a) all buildings, structures, fixtures, improvements and appurtenances located on or forming part of that real property, including those under construction, and (b) all rights of way, licences, rights of occupation, easements or other similar rights appurtenant to and for the benefit of that real property.

(7) "**Books and Records**" means all books, records, files and papers of the Company including title documentation, software documentation, electronic data, financial and Tax working papers, financial and Tax books and records, business reports, business plans and projections, sales and advertising materials, sales and purchases records and correspondence, trade association files, research and development records, lists of present and former customers and suppliers, personnel and employment records, employee data and plan records of Employee Plans, minute and share certificate books, all other documents and data (technical or otherwise) relating to the Company, the Business or its assets, and all copies and recordings of the foregoing.

(8) "**Business**" has the meaning attributed to that term in the Recitals.

(9) "**Business Day**" means any day, except Saturdays and Sundays, on which banks are generally open for non-automated business in Langley, British Columbia.

(10) "**Business Intellectual Property**" means the Licensed Intellectual Property and the Owned Intellectual Property.

(11) "**Cash Consideration**" means the Share Purchase price minus the Share Consideration Amount;

(12) "**Claim**" means any act, omission or state of facts and any demand, action, investigation, inquiry, suit, proceeding, claim, assessment, judgment or settlement or compromise relating thereto which may give rise to a right of indemnification under this Agreement.

(13) "**Closing**" means the completion of the Transactions on the Closing Date in accordance with this Agreement.

(14) "**Closing Balance Sheet**" has the meaning attributed to that term in Section 2.5(3)(a).

(15) "**Closing Date**" means the date of this Agreement.

(16) "**Closing Statements**" has the meaning attributed to that term in Section 2.5(3).

(17) "**Closing Working Capital**" has the meaning attributed to that term in Section 2.5(3)(b).

(18) “**Company**” has the meaning attributed to that term in the Recitals.

(19) “**Company Leases**” means:

(a) the verbal lease agreement between the Company, as tenant, and Heppells, as landlord, with respect to the portion of the Purchased Real Property relating to the Business and biogas facilities;

(b) the verbal lease agreement between the Company, as tenant, and Heppells, as landlord, with respect to the mobile office space on the Purchased Real Property; and

(c) the verbal lease agreement between the Company, as tenant, and Heppells, as landlord, with respect to the portion of the Purchased Real Property subject to the Residential Lease.

(20) “**Company’s Auditors**” means Grant Thornton LLP.

(21) “**Consideration Shares**” means: (a) in the case of Pela, 62,500 common shares in the authorized share structure of the Purchaser, and (b) in the case of Heppells, 62,500 common shares in the authorized share structure of the Purchaser, in each case, having an issue price per share equal to $8.00.

(22) “**Constating Documents**” means, with respect to any Person, its articles or certificate of incorporation, amendment, amalgamation or continuance, memorandum and articles of association, letters patent, supplementary letters patent, by-laws, partnership agreement, limited liability company agreement or other similar document, and all unanimous shareholder agreements, other shareholder agreements, voting trusts, pooling agreements and similar Contracts, arrangements and understandings applicable to the Person’s Equity Interests, all as amended, supplemented, restated and replaced from time to time.

(23) “**Contaminant**” means any substance, emission or thing, howsoever occurring, which has, or may have, an adverse effect on the environment, any ecological system or natural resource, the use or enjoyment of property, or human health or safety, and includes any “contaminant” or “pollutant” or any type of “waste”, in each case which is regulated by any Applicable Law.

(24) “**Contract**” means any agreement, contract, indenture, lease, occupancy agreement, deed of trust, licence, option, undertaking, promise or any other commitment or obligation, whether oral or written, express or implied, other than a Permit.

(25) “**CRA**” means the Canada Revenue Agency or any successor agency.

(26) “**Current Assets**” means all cash and cash equivalents (other than restricted cash), accounts receivables, inventory and prepaid expenses and deposits, but excluding (a) the portion of any prepaid expense of which the Purchaser will not receive the benefit following Closing; (b) deferred and future Taxes; and (c) receivables from any of the Company’s Affiliates, directors, employees, officers or shareholders and any of their respective Affiliates; determined in accordance with GAAP applied using the same accounting methods, practices, principles, policies and procedures, with consistent classifications, judgments and valuation and estimation methodologies that were used in the preparation of the Financial Statements for the most recent financial year end as if such accounts were being prepared and audited as of a fiscal year end, calculated in the manner set out in Schedule 1.1(109).

(27) “**Current Liabilities**” means all accounts payable, accrued Taxes and accrued expenses determined in accordance with GAAP applied using the same accounting methods, practices, principles, policies and procedures, with consistent classifications, judgments and valuation and estimation

methodologies that were used in the preparation of the most recent audited Financial Statements as if such accounts were being prepared and audited as of a fiscal year end and those amounts set out on Schedule 1.1(27), calculated in the manner set out in Schedule 1.1(109).

(28) "**Disclosure Letter**" means the disclosure letter executed by the Vendors and the Purchaser and dated as of the date of this Agreement.

(29) "**Effective Time**" 12:01 a.m. on the Closing Date.

(30) "**Elected Amount**" has the meaning attributed to that term in Section 6.11.

(31) "**Electing Vendor**" has the meaning attributed to that term in Section 6.11.

(32) "**Employee Plans**" has the meaning attributed to that term in Section 5.3(34)(a).

(33) "**Employees**" means all employees of the Company immediately prior to Effective Time, whether full-time, part-time, salaried, hourly, unionized or non-unionized.

(34) "**Encumbrance**" means any legal notation, charge, lien, interest, encumbrance, hypothec, pledge, mortgage, title retention agreement, security interest of any nature, prior claim, adverse claim, exception, reservation, restrictive covenant, agreement, judgment, easement, right of way, encroachment, restrictive or statutory covenant, profit à prendre, right of re-entry, assignment or claim, lease, licence, right of occupation, option, right of use, right of first refusal, right of pre-emption, privilege, whether registered or unregistered, and whether or not consensual or arising by law (statutory or otherwise), against title to a real property, or any matter capable of registration against title, or any Contract to create any of the foregoing.

(35) "**Environmental Laws**" means any and all Applicable Laws relating to: (a) the protection of the environment and any natural resource; (b) the presence, release, discharge, handling, transportation, storage, remediation or disposal of Contaminants; (c) the ownership, occupation, management, transfer or sale of contaminated sites; (d) the exposure of workers to Contaminants in the workplace, and worker right-to-know legislation pertaining thereto; (e) the manufacture, distribution, labelling, import, export or sale of products or product ingredients by virtue of their composition or any other physical properties; (f) climate change, greenhouse gas emissions and the regulation of carbon; (g) the protection of endangered species and their habitat; and (h) the reporting of environmental matters and/or liabilities to any Governmental Authority or in any publicly accessible venue.

(36) "**Environmental Permits**" means any Permit which is issued under, or pursuant to any Environmental Law.

(37) "**Equity Interests**" means, with respect to any Person, any and all present and future shares, units, trust units, partnership or other interests, participations or other equivalent rights in that Person's equity or capital, however designated and whether voting or non-voting.

(38) "**Escrow Agent**" means Clark Wilson LLP.

(39) "**Escrow Agreement**" means the Escrow Agreement among the Purchaser, the Vendor and the Escrow Agent, to be executed and delivered at the Closing.

(40) "**ETA**" means the *Excise Tax Act* (Canada) and the regulations made thereunder.

(41) “**Farm License**” means the license agreement between Heppells and the Company, dated as of the Closing Date;

(42) “**Financial Statements**” means the unaudited financial statements of the Company as at and for the financial year ended December 31, 2019 and the audited financial statements of the Company as at and for the financial year ended December 31, 2020, each consisting of the balance sheet, income statement, cash flow statement and statement of retained earnings and all notes, schedules and exhibits thereto and, in the case of all audited financial statements, the report thereon of the Company’s Auditors (with respect to the financial statements for the financial year ended December 31, 2020), true, complete and correct copies of which financial statements have been provided to the Purchaser prior to the date of this Agreement.

(43) “**Financial Statements Date**” means December 31, 2020.

(44) “**Form A Transfer**” has the meaning attributed to that term in Section 4.1(1)(k)(i);

(45) “**GAAP**”, when used in respect of accounting terms or accounting determinations relating to the Company, means the Accounting Standards for Private Enterprises which are in effect from time to time in Canada, as published in the CPA Canada Handbook of the Accounting Standards Board of the Chartered Professional Accountants of Canada or any successor thereof.

(46) “**GST/HST**” means all Taxes payable under Part IX of the ETA (including where applicable both the federal and provincial portion of those Taxes) or and under any provincial legislation imposing a similar value added or multi-staged tax.

(47) “**Governmental Authority**” means any domestic or foreign government, whether federal, provincial, state, territorial, local, regional, municipal, or other political jurisdiction, and any agency, authority, instrumentality, court, tribunal, board, commission, bureau, arbitrator, arbitration tribunal or other tribunal, or any quasi-governmental or other entity, body, organization or agency, insofar as it exercises a legislative, judicial, regulatory, administrative, expropriation or taxing power or function of or pertaining to government.

(48) “**Heppells**” has the meaning attributed to that term in the Preamble.

(49) “**Heppells Fundamental Representations**” means the representations and warranties set out in Section 5.2(1)(a).

(50) “**Holdback Amount**” has the meaning attributed to that term in Section 2.4(2).

(51) “**Indemnification Notice**” means written notice by an Indemnitee to the applicable Indemnitor or Indemnitors of a Third Party Claim or Direct Claim, as the case may be.

(52) “**Independent Auditor**” has the meaning attributed to that term in Section 2.5(6).

(53) “**Insurance Policies**” has the meaning attributed to that term in Section 5.3(18).

(54) “**Intellectual Property**” means, individually and collectively, howsoever created and wherever located:

(a) all domestic and foreign patents and applications thereof and all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof;

(b) all inventions (whether patentable or not), invention disclosures, improvements, trade secrets, proprietary information, know-how, technology, technical data, schematics and customer lists, and all documentation relating to any of the foregoing;

(c) all copyrights in all works (including Software) and database rights, copyright registrations and applications thereof, and all works of authorship and moral rights, and all other rights corresponding thereto throughout the world;

(d) all trade names, domain names, corporate names, trade dress, distinguishing guises, logos, slogans, brand names, trademarks (whether registered or common law and whether used with wares or services and including the goodwill attaching to such trademarks) and registrations and applications for registration thereof;

(e) all computer programs, applications, databases and software (both in source code and object code form) and any proprietary rights in those computer programs, applications, databases and software, (and any and all modifications, changes, release, versions, upgrades, updates or patches of any of the foregoing) including documentation and other materials related thereto;

(f) all industrial designs and applications for and registration of industrial designs, design patents and industrial design registrations;

(g) other intellectual or industrial property whatsoever;

(h) all income, royalties, damages and payments now and hereafter due and/or payable with respect to any of the foregoing, including damages and payments for past or future infringements thereof; and

(i) all rights to sue for past, present and future infringements of any of the foregoing.

(55) "**Internal IT Systems**" means all information technology hardware, Software and internal networks and communications technologies and services that are owned, leased, or licensed by the Company in connection with the Business.

(56) "**Inventories**" means inventories, including all finished goods, works-in-progress, raw materials, spare parts, replacement parts, and all other materials and supplies to be used or consumed by the Company in the production of finished goods.

(57) "**Key Employee**" means Brendan Van Biert.

(58) "**Leased Real Property**" means that portion of the Purchased Real Property that is leased by the Company from Heppells pursuant to the Company Leases as identified in Schedule 1.1(58).

(59) "**Licensed Intellectual Property**" means all Intellectual Property used by the Company in connection with the Business except for the Owned Intellectual Property.

(60) "**Losses**" means any and all loss, liability, obligation, damage, cost, expense, charge, fine, penalty or assessment, suffered, incurred, sustained or required to be paid by the Person seeking indemnification, (including reasonable lawyers', experts' and consultants' fees and expenses), directly resulting from or arising out of any Claim, including the costs and expenses of any action, suit, proceeding, investigation, inquiry, arbitration award, grievance, demand, assessment, judgment, settlement or compromise relating

thereto, but: (a) excluding any contingent liability until it becomes actual; (b) reduced by any net Tax benefit; and (c) reduced by any recovery, settlement or otherwise under or pursuant to any insurance coverage, or pursuant to any claim, recovery, settlement or payment by or against any other Persons.

(61) "**Material Adverse Change**" or "**Material Adverse Effect**" means, with respect to any event, matter or circumstance, any change or effect that: (a) individually or when taken together with all other changes or effects that have occurred during any relevant period of time before the determination of the occurrence of that change or effect, is or is reasonably likely to be materially adverse to the Business, the business currently contemplated to be conducted by the Company, its assets, and the operations, liabilities, capital, prospects, condition (financial or otherwise) or results of operation, of the Company; or (b) would reasonably be expected to prevent or materially delay the Vendors' ability to consummate the transactions contemplated by this Agreement; provided, however, that a Material Adverse Change or Material Adverse Effect does not include a change or effect caused by: (i) any actions taken, or failures to take action, by the Vendors to the extent required by the terms of this Agreement or to which the Purchaser has consented in writing; (ii) changes in general economic, financial, regulatory or market conditions affecting the Business or of any of its competitors; (iii) changes in Applicable Law or GAAP or interpretations thereof applicable to the Business occurring after the date of this Agreement; (iv) acts of war or terrorism; or (v) any natural disaster, pandemics or acts of God, including COVID-19 and any regulatory response thereto; provided, that in the case of (i) through (v), only to the extent that such change or effect does not disproportionately affect the Company relative to other companies operating in the same industry.

(62) "**Material Contract**" has the meaning attributed to that term in Section 5.3(20)(h).

(63) "**Objection Notice**" has the meaning attributed to that term in Section 2.5(5).

(64) "**Occupational Health and Safety**" means any obligation imposed on an employer pursuant to the *Workers Compensation Act* (British Columbia), the *Occupational Health and Safety Regulation* (British Columbia), or any other Applicable Law regarding occupational health and safety.

(65) "**Operational Certificate**" means Operational Certificate 103921.

(66) "**Operational Certificate and Environmental Non-Compliance**" means those facts, acts and omissions described on Schedule 1.1(66).

(67) "**Ordinary Course**" means, with respect to an action taken by a Person, that the action is consistent with the past practices of the Person and is taken in the normal day-to-day operations of the Person.

(68) "**Other Agreements**" has the meaning attributed to that term in Section 8.6.

(69) "**Owned Intellectual Property**" means all Intellectual Property created, owned or developed in whole or in part by or on behalf of the Company in connection with the Business.

(70) "**Parties**" means collectively, the Vendors and the Purchaser, and "**Party**" means any of them.

(71) "**Pending Registration**" has the meaning attributed to that term in Section 3.4(5).

(72) "**Permits**" means franchises, licences, qualifications, approvals, authorizations, consents, certificates, certificates of authorization, decrees, orders-in-council, registrations, exemptions, consents, variances, waivers, filings, grants, notifications, privileges, rights, orders, judgments, rulings, directives, permits and other approvals, obtained from, issued by or required by a Governmental Authority.

(73) “**Permitted Encumbrances**” means:

(a) undetermined or inchoate liens, charges and privileges incidental to current construction or current operations, except for liens, charges and privileges related to Taxes and the Purchased Real Property;

(b) statutory liens, charges, adverse claims, security interests or Encumbrances of any nature whatsoever claimed or held by any Governmental Authority that have not at the time been filed or registered against the title to the asset or served on the Company or any Vendor pursuant to Applicable Law or notice of which has not otherwise been received by the Company or any Vendor, or that relate to obligations not due or delinquent, except for statutory liens, charges, adverse claims, security interests or Encumbrances related to Taxes or related to the Purchased Real Property;

(c) assignments of insurance provided to landlords or their mortgagees or hypothecary creditors pursuant to the terms of any Lease and liens, security interests or rights reserved in or granted pursuant to any Lease as security for payment of rent or for compliance with the terms of that Lease provided such liens, security interests or rights have been disclosed in a Schedule to this Agreement, except for any such interest granted in relation to the Purchased Real Property (other than the Real Property Permitted Encumbrances); and

(d) security given in the Ordinary Course of the Business to any public utility or Governmental Authority in connection with the operations of the Business, other than security for borrowed money and other than any security that is required to be discharged pursuant to the terms of this Agreement; and

(e) the Permitted Encumbrances described in Schedule 1.1(73).

(74) “**Person**” or “**Persons**”, as applicable, is to be broadly interpreted and includes an individual, a corporation, a partnership, a joint venture, a trust, an association, a syndicate, an unincorporated organization, a Governmental Authority, an executor or administrator or other legal or personal representative, or any other juridical entity.

(75) “**Personal Information**” means any information about an identifiable natural person that was collected, used or disclosed and is being stored by or is otherwise under the control of the Company in connection with the Business.

(76) “**Personal Property Leases**” has the meaning attributed to that term in Section 5.3(13).

(77) “**Post-Closing Period**” means any Tax Period beginning on or after the Closing Date, and with respect to a Straddle Period, the portion of such Tax period beginning on the Closing Date.

(78) “**Pre-Closing Period**” means any Tax period that is not a Post-Closing Period and with respect to a Straddle Period, the portion of such Tax period ending on the day prior to the Closing Date.

(79) “**Preliminary Closing Working Capital**” has the meaning attributed to that term in Section 2.5(1)(a).

(80) “**Privacy Law**” means any and all Canadian Applicable Law that regulates the collection use, disclosure and or storage of Personal Information, including the *Personal Information Protection Act* (British Columbia).

(81) “**Privacy Requirements**” means all of the obligations restrictions and prohibitions of or applicable to the Company in connection with the Personal Information regardless of the authority under which they are imposed, including resolutions of the board of the directors of the Company, policies, agreements and any and all Privacy Law to which the Company is subject.

(82) “**Proceeding**” means (a) any suit, action, dispute, investigation, claim, arbitration, order, summons, citation, directive, charge, demand or prosecution, whether legal or administrative, (b) any other proceeding, or (c) any appeal or application for review, at law or in equity or before or by any Governmental Authority.

(83) “**Purchase Price**” means the sum of the Share Purchase Price and the Land Purchase Price.

(84) “**Purchased Real Property**” means the real property having a municipal address of 2016 Interprovincial Highway, Abbotsford, B.C. V3G 2H8 and legally described as Parcel Identifier: 010-837-906, Lot 79, Section 13, Township 19, New Westminster District Plan 4211.

(85) “**Purchased Shares**” means 1,037,500 issued and outstanding Class A Common Voting shares in the authorized share structure of the Company.

(86) “**Purchaser**” means EverGen Infrastructure Corp., a company incorporated under the laws of the Province of British Columbia.

(87) “**Purchaser Indemnitees**” means the Purchaser and the shareholders and Representatives of the Purchaser.

(88) “**Purchaser’s Fundamental Representations**” means the representations and warranties set out in Sections 5.4(1) (insofar as it relates to the due incorporation and organization and the valid existence of the Purchaser), 5.4(2), 5.4(3) and 5.4(7).

(89) “**Purchaser’s Solicitors**” means Borden Ladner Gervais LLP.

(90) “**Real Property Permitted Encumbrances**” means the Encumbrances described in Schedule 1.1(73), the Residential Lease and the residential tenancy pursuant to such lease, the Farm License and the reservations, conditions, provisos, restrictions and exceptions contained in any original grants from the Crown of the Purchased Real Property and statutory exceptions to title.

(91) “**Representatives**” means, with respect to any Party, its Affiliates and, if applicable, its and their respective directors, officers, employees, agents and other representatives and advisors.

(92) “**Residential Lease**” means the Residential Lease Agreement dated September 1, 2018, among the Company, Matthew Livingstone, and Juliet Livingstone.

(93) “**Share Consideration Amount**” has the meaning attributed to that term in Section 2.4(1)(a).

(94) “**Share Purchase Price**” has the meaning attributed to that term in Section 2.3(1).

(95) “**Software**” means software, including all versions thereof, whether installed locally, on a local area network or delivered through the internet, and all related documentation, manuals, source code and object code, program files, data files, computer related data, field and data definitions and relationships, data definition specifications, data models, program and system logic, interfaces, program modules, routines, sub-routines, algorithms, program architecture, design concepts, system designs, program

structure, sequence and organization, screen displays and report layouts, and all other material related to such software.

(96) "**Statutory Plans**" means benefit plans that the Company is required by domestic or foreign statute to participate in or contribute to in respect of a current or former employee, director or officer of the Company or any beneficiary or dependent thereof, including the Canada Pension Plan and plans administered pursuant to applicable health, Tax, workplace safety insurance, workers' compensation and employment insurance legislation.

(97) "**Straddle Period**" means any Tax period that includes the Closing Date, but does not begin on the Closing Date or end on the day prior to the Closing Date.

(98) "**Target Working Capital**" means **[Redacted – commercially sensitive information]**.

(99) "**Tax Act**" or any reference to a specific provision thereof means the *Income Tax Act* (Canada) and legislation of any legislature of any province or territory of Canada, and any regulations thereunder in force of like or similar effect.

(100) "**Taxes**" means taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever imposed by any Governmental Authority, including all interest, penalties, fines, additions to tax or other additional amounts imposed in respect thereof (including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, gains, capital stock, production, gift, wealth, environment, net worth, utility, sales, goods and services, harmonized sales, use, consumption valued-added, excise, stamp, withholding, premium, business, franchising, property, employer health, payroll, employment, health, social services, education and social security taxes, surtaxes, customs duties and import and export taxes, development, occupancy, social services, licence, franchise and registration fees and employment insurance, health insurance and Canada, Québec and other government pension plan premiums or contributions), and "**Tax**" has a corresponding meaning.

(101) "**Tax Returns**" means all returns, declarations, designations, forms, schedules, reports, elections, notices, filings, statements (including withholding tax returns and reports, and information returns and reports) and other documents of every nature whatsoever filed or required to be filed with any Governmental Authority with respect to any Taxes, together with all amendments and supplements thereto.

(102) "**Third Party Claim**" has the meaning attributed to that term in Section 7.6(1).

(103) "**Transactions**" means the purchase and sale of the Purchased Shares and the Purchased Real Property, and all other transactions contemplated by this Agreement.

(104) "**Transmission**" has the meaning attributed to that term in Section 8.13(1).

(105) "**Vendor Indemnitees**" means each Vendor, and the shareholders and the Representatives of each Vendor.

(106) "**Vendors**" and "**Vendor**" have the meanings attributed to such terms in the Preamble.

(107) "**Vendor's Shares**" means, with respect to a Vendor, the number of the Purchased Shares set out opposite that Vendor's name on Schedule 5.3(1).

(108) "**Vendors' Fundamental Representations**" means the representations and warranties set out in Sections 5.1(1), 5.1(2), 5.1(3), 5.1(4), 5.1(5), 5.1(6), 5.1(7), 5.1(11), 5.3(1) (insofar as it relates to the due

incorporation and organization and the valid existence of the Company), 5.3(2), 5.3(3), 5.3(4), 5.3(7), 5.3(8), 5.3(10), 5.3(11) and 5.3(39).

(109) "**Vendors' Solicitors**" means Clark Wilson LLP.

(110) "**Working Capital**" means, at any time, the difference in the value of the Current Assets and the Current Liabilities, as determined in accordance with GAAP as of such time (a sample calculation of which is set forth in Schedule 1.1(109)).

1.2 Construction. This Agreement has been negotiated by each Party with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting party does not apply to the construction or interpretation of this Agreement.

1.3 Certain Rules of Interpretation. In this Agreement:

(a) the division into Articles and Sections and the insertion of headings and the Table of Contents are for convenience of reference only and do not affect the construction or interpretation of this Agreement;

(b) the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Agreement and not to any particular portion of this Agreement; and

(c) unless specified otherwise or the context otherwise requires:

(i) references to any Article, Section or Schedule are references to the Article or Section of, or Schedule to, this Agreement;

(ii) "including" or "includes" means "including (or includes) but is not limited to" and is not to be construed to limit any general statement preceding it to the specific or similar items or matters immediately following it;

(iii) "the aggregate of", "the total of", "the sum of", or a phrase of similar meaning means "the aggregate (or total or sum), without duplication, of";

(iv) references to Contracts are deemed to include all present amendments, supplements, restatements and replacements to those Contracts;

(v) references to any legislation, statutory instrument or regulation or a section thereof are references to the legislation, statutory instrument, regulation or section as amended, re-enacted, consolidated or replaced from time to time; and

(vi) words in the singular include the plural and vice-versa and words in one gender include all genders.

1.4 Knowledge. In this Agreement, any reference to the knowledge of (a) the Vendors means the actual knowledge of Peter Schouten, Wesley Heppell and Brendan Van Biert after reviewing all relevant records in the possession of Company but without inquiry of any third parties, (b) a Vendor means in the case of Heppells, the actual knowledge of Wesley Heppell and in the case of Pela, means the actual knowledge of Peter Schouten, and (c) the Purchaser means the actual knowledge of Chase Edgelow, Mischa Zajtmann, and Sean Mezei.

1.5 Computation of Time. In this Agreement, unless specified otherwise or the context otherwise requires:

(a) a reference to a period of days is deemed to begin on the first day after the event that started the period and to end at 5:00 p.m. on the last day of the period, but if the last day of the period does not fall on a Business Day, the period ends at 5:00 p.m. on the next succeeding Business Day;

(b) all references to specific dates mean 11:59 p.m. on the dates;

(c) all references to specific times are references to Pacific time; and

(d) with respect to the calculation of any period of time, references to "from" mean "from and excluding" and references to "to" or "until" mean "to and including".

1.6 Performance on Business Days. If any action is required to be taken pursuant to this Agreement on or by a specified date that is not a Business Day, the action is valid if taken on or by the next succeeding Business Day.

1.7 Currency and Payment. In this Agreement, unless specified otherwise (a) references to dollar amounts or "$" are to Canadian dollars, and (b) any payment is to be made by wire transfer or any other method (other than cash payment) that provides immediately available funds.

1.8 Accounting Terms. In this Agreement, unless specified otherwise, each accounting term has the meaning assigned to it under GAAP.

1.9 Schedules. References to any Schedules in this Agreement shall mean the applicable Schedule of the Disclosure Letter.

ARTICLE 2
PURCHASE AND SALE OF PURCHASED SHARES AND PURCHASED REAL PROPERTY

2.1 Agreement to Purchase and Sell Purchased Shares. Subject to the terms and conditions of this Agreement, on the Closing Date and effective as of the Effective Time the Vendors shall sell to the Purchaser and the Purchaser shall purchase from the Vendors, all of the Purchased Shares, constituting all of the issued and outstanding shares in the capital of the Company, free and clear of all Encumbrances.

2.2 Agreement to Purchase and Sell Purchased Real Property. Subject to the terms and conditions of this Agreement, on the Closing Date, Heppells shall transfer the legal and beneficial interest in the Purchased Real Property to the Company free and clear of all Encumbrances, other than the Real Property Permitted Encumbrances.

2.3 Purchase Price and Purchase Price Allocation.

(1) Subject to the terms and conditions of this Agreement, the aggregate purchase price (the "**Share Purchase Price**") to be paid by the Purchaser to the Vendors for the Purchased Shares is $7,850,000, subject to any adjustments required by Section 2.5 and Section 2.6(1).

(2) Subject to the terms and conditions of this Agreement, the aggregate purchase price (the "**Land Purchase Price**") to be paid by the Purchaser to Heppells for the Purchased Real Property is $3,650,000, subject to any adjustments required by Section 2.6(2).

(3) The Share Purchase Price and any adjustments shall be allocated equally amongst the Purchased Shares.

(4) Heppells and the Purchaser shall allocate the Land Purchase Price and any adjustments in accordance with Schedule 2.3(4).

2.4 Payment of Purchase Price.

(1) Subject to any adjustments required pursuant to Section 2.6, the Purchaser shall pay and satisfy the Purchase Price:

(a) by the issuance to the Vendors of the Consideration Shares having an aggregate issue price of $1,000,000 (the "**Share Consideration Amount**");

(b) by payment at Closing to or to the order of the Vendors of the amount of Share Purchase Price, less the Share Consideration Amount, less the Holdback Amount, plus or minus the amount of any positive or negative preliminary adjustment, as the case may be, determined immediately prior to Closing pursuant to Section 2.5(2), by wire transfer or other form of immediately available funds to an account designated by the Vendors;

(c) by payment at Closing to or for the order of Heppells, or as Heppells may direct, of the amount of the Land Purchase Price, in accordance with Section 3.4; and

(d) by the release of and payment to the Vendors of all or part of the Holdback Amount, if any, in accordance with the terms and conditions of the Escrow Agreement.

(2) At Closing, the amount of $785,000.00 (the "**Holdback Amount**") shall be deposited by the Purchaser by wire transfer of immediately available funds into an account designated by the Escrow Agent and shall be held and distributed in accordance with the terms of the Escrow Agreement, to secure the indemnification and other obligations of the Vendors in favour of the Purchaser arising out of or pursuant to Section 6.4 and Article 7, excluding the indemnification and other obligations of Heppells pursuant to Section 7.3, and to secure the Vendors' obligation to pay any Purchase Price adjustment in accordance with Section 2.6(1).

(3) The Land Purchase Price is exclusive of sales and transfer taxes, registration charges and transfer fees, including GST/HST applicable to the purchase of the Purchased Real Property ("**Transfer Taxes**"). The Purchaser shall pay to Heppells or, where permitted by Applicable Law, directly to the appropriate Governmental Authorities, all Transfer Taxes payable by it in respect of the purchase and sale of the Purchased Real Property under this Agreement.

2.5 Closing Date Adjustments.

(1) The Parties acknowledge and agree that Schedule 2.5 contains a statement prepared by the Company's Auditors, in consultation with the Vendors, containing:

(a) a good faith best estimate of a detailed calculation of the Working Capital as of the Effective Time without giving effect to the Transactions (the "**Preliminary Closing Working Capital**"), including an estimated balance sheet of the Company as of the Effective Time without giving effect to the Transactions; and

(b) a calculation of the amount by which the Preliminary Closing Working Capital exceeds or is less than, as the case may be, the Target Working Capital.

(2) If the Preliminary Closing Working Capital is less than the Target Working Capital, then the Share Purchase Price will be reduced at Closing by reducing the Cash Consideration by the amount of that difference, subject to any further adjustments as may be prescribed by Section 2.6(1). If the Preliminary Closing Working Capital is greater than the Target Working Capital, then the Share Purchase Price will be increased at Closing by increasing the Cash Consideration by the amount of that difference, subject to any further adjustments as may be prescribed by Section 2.6(1).

(3) As soon as possible, but not later than 60 days, following the Closing Date, the Purchaser shall prepare and deliver to the Vendors the following (collectively, the "**Closing Statements**"):

(a) an unaudited balance sheet for the Company as at the Effective Time (without giving effect to the Transactions) prepared in accordance with GAAP applied on a basis consistent with the most recent audited Financial Statements (the "**Closing Balance Sheet**");

(b) a calculation of the Working Capital as of the Effective Time as determined by reference to the balance sheet contained in the Closing Balance Sheet (and for certainty, calculate in a manner consistent with Schedule 1.1(109)) (the "**Closing Working Capital**"); and

(c) a calculation of:

(i) the amount by which the Closing Working Capital exceeds or is less than, as the case may be, the Preliminary Closing Working Capital; and

(ii) the Share Purchase Price, as adjusted in accordance with Section 2.6(1).

(4) The Vendors and the Purchaser shall co-operate fully with each other in the calculation of the Closing Working Capital and the preparation of the Closing Statements.

(5) The Vendors shall have 30 days from receipt of the Closing Statements within which to review the Closing Statements. For the purposes of this review, the Purchaser shall permit and shall cause the Company and the Company's Auditors to permit the Vendors and their authorized Representatives to examine all accounting books and records and other documents and information used or prepared by the Company or the Company's Auditors in connection with the preparation of the Closing Statements and to have reasonable access to appropriate personnel of the Company for the Vendors to verify the accuracy and presentation and other matters relating to the preparation of the Closing Statements. The Vendors may dispute any of the items in the Closing Statements by written notice (an "**Objection Notice**") to the Purchaser within the same 30 days. If the Vendors have not delivered an Objection Notice to the Purchaser within this 30 day period, the Vendors shall be deemed to have accepted the Closing Statements. If the Vendors deliver an Objection Notice, the Vendors and the Purchaser shall work expeditiously and in good faith in an attempt to resolve all of the items in dispute within 15 days of receipt of the Objection Notice. If all items in dispute are not resolved within this 15 day period, the Vendors shall appoint MNP LLP to resolve the remaining items in dispute.

(6) The Purchaser and the Vendors shall furnish to the firm chosen in accordance with Section 2.5(5) (the "**Independent Auditor**") those accounting books and records and information relating to the items in dispute, that are available to that Party or its auditors (and in the case of the Purchaser, the Company's Auditors) as the Independent Auditor may require. The Purchaser and the Vendors shall instruct the Independent Auditor that time is of the essence in proceeding with its determination of any dispute, and the

decision of the Independent Auditor with respect to any item in dispute is to be in writing and, absent any manifest error, is final and binding on the Vendors and the Purchaser with no rights of challenge, review or appeal to the courts in any manner. The Independent Auditor, in making its determination of any dispute, is acting as an expert and not as an arbitrator and is not required to engage in a judicial inquiry worked out in a judicial manner.

(7) On agreement or decision, as the case may be, with respect to all items in dispute, the Closing Statements are deemed to be amended as may be necessary to reflect the agreement or the decision, as the case may be. In this event, references in this Agreement to the Closing Statements will be references to the Closing Statements, as so amended.

(8) The Vendors collectively shall be responsible for one-half of the fees and expenses of the Independent Auditor and the Purchaser shall be responsible for one-half of the fees and expenses of the Independent Auditor but each Party shall be responsible for its own costs and expenses.

2.6 Purchase Price Adjustment.

(1) The Share Purchase Price shall be adjusted by adjusting the Cash Consideration by the amount by which the Closing Working Capital is greater than, or is less than, as the case may be, the Preliminary Closing Working Capital. If the Closing Working Capital is greater than the Preliminary Closing Working Capital, the Purchaser shall pay the difference within five Business Days following the agreement or deemed amendment of the Closing Statements pursuant to Section 2.5. If the Closing Working Capital is less than the Preliminary Working Capital, at the option of the Purchaser, exercisable in its sole discretion, either (a) the Vendors shall pay the difference to the Purchaser, or (b) the Parties shall instruct the Escrow Agent to release to the Purchaser such difference, in either case, within five Business Days following the agreement or deemed agreement of the Closing Statements pursuant to Section 2.5. The determination and adjustment of the Share Purchase Price in accordance with the provisions of Section 2.5 and this Section 2.6(1) will not limit or affect any other rights or causes of action, which the Parties may have with respect to the representations, warranties, covenants and indemnities in its favour contained in this Agreement.

(2) All adjustments relating to the Purchased Real Property, both incoming and outgoing, including property taxes, local improvement charges, utilities, rents, deposits, if any, and all other matters customarily the subject of adjustment on the sale of a similar commercial undertaking, shall be adjusted between Heppells and the Purchaser as at the Closing Date so that Heppells shall bear and pay all expenses and receive all income related to the Purchased Real Property prior to the Closing Date and the Purchaser shall bear and pay all expenses and receive all income related to the Purchased Real Property from and including the Closing Date. A further adjustment for the foregoing items which could not be finally adjusted on the Closing Date will be made within ninety (90) days following the Closing Date or such earlier date when the information required to complete such calculation is available.

ARTICLE 3
CLOSING ARRANGEMENTS

3.1 Closing. The Closing shall take place simultaneously with the execution of this Agreement on the Closing Date. The consummation of the Transactions shall be deemed to occur at the Effective Time.

3.2 Vendors' Closing Deliveries. At Closing, the Vendors shall deliver or cause to be delivered to the Purchaser all certificates, agreements, documents and instruments as required under Section 4.1.

3.3 Purchaser's Closing Deliveries. At Closing, the Purchaser shall deliver or cause to be delivered to the Vendors all payments, certificates, agreements, documents and instruments as required under Section 4.2(1).

3.4 Purchased Real Property

(1) Prior to the date of this Agreement, the Purchaser has paid to the Purchaser's Solicitors in trust the Land Purchase Price, as adjusted pursuant to Section 2.6(2), and any portion of the Share Purchase Price payable to Heppells (together the "**Heppells Purchase Price**").

(2) On the Closing Date, after receipt by the Purchaser's Solicitors of the documents referred to in Section 4.1, the Purchaser will cause the Purchaser's Solicitors to file the Form A Transfer for registration at the appropriate Land Title Office, provided that title to the Purchased Real Property is registered in the name of Heppells, free of all Encumbrances except for the Real Property Permitted Encumbrances and the financial charges, if any, to be discharged pursuant to Section 3.4(4).

(3) Following the filing referred to in Section 3.4(2), the Purchaser will:

(a) cause a post-filing search of the Purchased Real property to be conducted; and

(b) upon receiving confirmation from the Purchaser's Solicitors that the Company will, in the normal course of Land Title Office routine, be registered as the owner in fee simple of the Purchased Real Property, free and clear of all Encumbrances except for the Real Property Permitted Encumbrances, and the financial charges to be discharged on Closing by Heppells as set out in Section 3.4(4), the Purchaser shall cause the Purchaser's Solicitors to wire to, or provide a trust cheque to, the Vendors' Solicitors, in trust, the Heppells Purchase Price subject to the undertakings contemplated in Section 3.4(4) and 3.4(5).

(4) If on the Closing Date there are any Encumbrances of a financial nature registered against title to the Purchased Real Property which are not Real Property Permitted Encumbrances and which are registered in favor of Bank of Montreal, Heppells will not be required to clear the same from title to the Purchased Real Property prior to the receipt of the Heppells Purchase Price, but will be obligated to do so forthwith following receipt of the Heppells Purchase Price and, in that event, notwithstanding anything in this Agreement to the contrary, the Purchaser's Solicitors may pay the Heppells Purchase Price to the Vendors' Solicitors on the condition that the Vendors' Solicitors undertake to discharge any such Encumbrance of a financial nature, on undertakings agreed upon, each acting reasonably. For greater certainty, if any Encumbrance of a financial nature is registered against the title to the Purchased Real Property (including Mortgage CA7917960 registered in favour of Pela) other than in favor of Bank of Montreal as referred to above, Heppells will be required to obtain an executed release of such Encumbrance in registerable form and deliver a copy thereof to the Purchaser or to the Vendor's Solicitors on undertakings agreed upon with the Purchaser's Solicitors, prior to the release of funds pursuant to Section 3.4(3)(b).

(5) If on the Closing Date the pending application submitted for registration in the Land Title Office under Registration No. CA8904740 (the "**Pending Registration**") is not fully registered, then the Purchaser's Solicitors may pay the net sales proceeds on the condition that the Vendors' Solicitors will hold the Heppells Purchase Price, in trust, and not release any portion thereof until such time that the Pending Registration is fully registered other than to make the payments required in order to discharge any Encumbrances required to be discharged pursuant to Section 3.4(4) and certain transaction costs as provided in the undertakings referenced in Section 3.4(4). If for any reason the Land Title Office does not accept and fully register the Pending Registration, then Heppells shall, at its sole cost, undertake all necessary actions, filings and steps required to rectify any issues to effect the registration of the Pending Registrations

to allow the Purchaser to register the Form A Transfer in the ordinary course (including, any confirmations that may be required by the Purchaser confirming that the legal and beneficial ownership of the land has been transferred to the Company and that the Company has full use and occupancy of the Purchased Real Property). This Section 3.4(5) shall survive the Closing.

ARTICLE 4
TRANSACTIONS TO BE EFFECTED AT CLOSING

4.1 Closing Deliverables of the Vendors.

(1) At the Closing, the Vendors shall have delivered or caused to be delivered to the Purchaser the following:

(a) certificates representing the Purchased Shares, accompanied by stock transfer powers duly executed in blank or duly executed instruments of transfer, and all such other assurances, consents and other documents as the Purchaser reasonably requests to effectively transfer to the Purchaser title to the Purchased Shares free and clear of all Encumbrances;

(b) original share registers, share transfer ledgers, minute books and corporate seals (if any) of the Company;

(c) all other Books and Records;

(d) a certified copy of a resolution of the board of directors of the Company consenting to the transfer of the Purchased Shares from the Vendors to the Purchaser as contemplated by this Agreement and authorizing the execution, delivery and performance of all contracts, agreements, instruments, certificates and other documents required by this Agreement to be delivered by the Company;

(e) releases by the Vendors as shareholders of the Company in form and substance reasonably satisfactory to the Purchaser;

(f) a resignation and release from each director and officer of the Company, in form and substance reasonably satisfactory to the Purchaser;

(g) copies of all Permits and Approvals described in Schedule 4.1(1)(g), in form and substance reasonably satisfactory to the Purchaser;

(h) except as set forth in Section 3.4(4), evidence of the release and discharge of all Encumbrances, other than Permitted Encumbrances and the Real Property Permitted Encumbrances, affecting the Company's assets or title to the Purchased Real Property, in each case, in form reasonably satisfactory to the Purchaser;

(i) an employment agreement, duly executed by the Key Employee, in a form reasonably satisfactory to the Purchaser;

(j) the Escrow Agreement, duly executed by each Vendor;

(k) in respect of the Purchased Real Property:

(i) a registrable Form A Transfer executed by Heppells, conveying interest in the Purchased Real Property to the Company, subject only to the Real Property Permitted Encumbrances (the "**Form A Transfer**");

(ii) a statement of adjustments prepared in accordance with Section 2.6(2);

(iii) the Farm License, duly executed by Heppells;

(iv) a termination, surrender and release of claims in respect of the Company Leases;

(v) directions to all tenants of the Purchased Real Property directing the tenants to pay all future rentals to or as directed by the Company;

(vi) a certificate of Heppells that Heppells is not a non-resident of Canada for the purpose of the Tax Act; and

(vii) a certificate of Heppells containing particulars regarding Heppells that are required to be included in the Property Transfer Tax Return to be filed in connection with the transfer of the Purchased Real Property (and Heppells hereby consents to the Purchaser and the Company inserting such particulars on such return).

(l) in respect of each Vendor:

(i) a certificate of good standing; and

(ii) a certificate of a senior officer certifying the resolutions of the board of directors and/or (if required by Applicable Law) shareholders of the Vendor authorizing the execution, delivery and performance of this Agreement and of all contracts, agreements, instruments, certificates and other documents required by this Agreement to be delivered by the Vendor.

(m) a receipt for the portion of the Share Purchase Price due at the Closing under Section 2.4.

4.2 Closing Deliverables of the Purchaser.

(1) At the Closing, the Purchaser shall deliver or caused to be delivered to the Vendors the following:

(a) payment of the amounts required to be paid on the Closing Date under Section 2.4;

(b) evidence of the issuance of the Consideration Shares in uncertificated form in the names of the Vendors;

(c) a certificate of good standing or the equivalent for the Purchaser;

(d) a certificate of a senior officer of the Purchaser certifying the resolutions of the board of directors of the Purchaser authorizing the execution, delivery and performance of this Agreement and of all contracts, agreements, instruments, certificates and other documents required by this Agreement to be delivered by the Purchaser;

(e) the Escrow Agreement, duly executed by the Purchaser; and

(f) the Farm License, duly executed by the Company.

4.3 Concurrent Delivery. It will be a condition of the Closing that all matters of payment and the execution and delivery of documents by any Party to the other Parties pursuant to the terms of this Agreement be concurrent requirements and that nothing will be complete until everything required as a condition precedent to the completion of the Transactions has been paid, executed and delivered, as the case may be.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of the Vendors. Each Vendor severally and not jointly and severally represents and warrants to the Purchaser as to itself (and not as to the other Vendor) as follows and acknowledges that the Purchaser is relying on these representations and warranties in connection with its purchase of the Purchased Shares and that the Purchaser would not purchase the Purchased Shares without these representations and warranties:

(1) Organization and Status. It is a corporation duly incorporated and organized, and is validly subsisting, under the laws of the Province of British Columbia and is up-to-date in the filing of all corporate and similar returns under the laws of that jurisdiction.

(2) Corporate Power. It has all necessary corporate power and authority to own or lease or dispose of its undertakings, property and assets (including its Vendor's Shares and the Purchased Real Property, as applicable), to enter into this Agreement and the contracts, agreements and instruments required by this Agreement to be delivered by it, and to perform its obligations hereunder and thereunder.

(3) Authorization. All necessary corporate action has been taken by it or on its part to authorize its execution and delivery of this Agreement and the contracts, agreements and instruments required by this Agreement to be delivered by it and the performance of its obligations hereunder and thereunder.

(4) Enforceability. This Agreement has been duly executed and delivered by it and (assuming due execution and delivery by the other Parties) is a legal, valid and binding obligation of it enforceable against it in accordance with its terms, except as that enforcement may be limited by bankruptcy, insolvency and other similar laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction. Each of the contracts, agreements and instruments required by this Agreement to be delivered by it will at the Closing have been duly executed and delivered by it and (assuming due execution and delivery by the other parties thereto) will at Closing be enforceable against it in accordance with its terms, except as that enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

(5) Ownership of Vendor's Shares. It is the registered and beneficial owner of its Vendor's Shares, with good and marketable title thereto, free and clear of all Encumbrances, and has the exclusive right to dispose of its Vendor's Shares as provided in this Agreement. None of its Vendor's Shares is subject to (a) any Contract or restriction which in any way limits or restricts the transfer to the Purchaser of its Vendor's Shares other than the transfer restrictions in the Company's articles, and (b) any voting trust, pooling agreement, shareholder agreement, voting agreement or other Contract, arrangement or understanding with respect to the voting of its Vendor's Shares (or any of them). On completion of the Transactions, it will have no ownership interest in the Company, whether direct or indirect, actual or contingent, and the Purchaser shall have good title to its Vendor's Shares, free and clear of all Encumbrances other than Encumbrances granted by the Purchaser.

(6) No Other Agreements to Purchase. No Person other than the Purchaser has any Contract or any right or privilege capable of becoming a Contract for the purchase or acquisition from that Vendor of any of its Vendor's Shares.

(7) Bankruptcy. It is not an insolvent Person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) and has not made an assignment in favour of its creditors or a proposal in bankruptcy to its creditors or any class thereof, and no petition for a receiving order has been presented in respect of it. It has not initiated proceedings with respect to a compromise or arrangement with its creditors or, if it is not a natural Person, for its winding up, liquidation or dissolution. No receiver or interim receiver has been appointed in respect of it or any of its undertakings, property or assets (including any of its Vendor's Shares or the Purchased Real Property, as applicable) and no execution or distress has been levied on any of its undertakings, property or assets (including any of its Vendor's Shares or the Purchased Real Property, as applicable), nor have any proceedings been commenced in connection with any of the foregoing.

(8) Absence of Conflict. The execution, delivery and performance by it of this Agreement and the completion of the Transactions will not (whether after the passage of time or notice or both) result in:

(a) the breach or violation of any of the provisions of, or constitute a default under, or conflict with any of its obligations under:

(i) if it is not a natural Person, any provision of its Constating Documents or resolutions of its board of directors (or any committee thereof) or shareholders;

(ii) any judgment, decree, order or award of any Governmental Authority having jurisdiction over it;

(iii) any Approval issued to it or held by it or held for the benefit of or necessary to the ownership of any of its Vendor's Shares; or

(iv) any Applicable Law;

(b) the creation or imposition of any Encumbrance over any of its Vendor's Shares; or

(c) the requirement of any Approval from any of its creditors.

(9) Litigation. There are no Proceedings (whether or not purportedly on its behalf) pending or outstanding or, to its knowledge, threatened against it which could affect its Vendor's Shares, the Purchased Real Property or its ability to perform its obligations under this Agreement. To its knowledge there is not any factual or legal basis on which any such Proceeding might be commenced with any reasonable likelihood of success.

(10) Residence. It is not a non-resident of Canada for purposes of the Tax Act.

(11) Investment Representations.

(a) The Consideration Shares to be acquired by it will be acquired for investment for its own account as principal, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and that it has no present intention of selling, granting any participation in, or otherwise distributing the same. It does not presently have any contract, undertaking, agreement or arrangement with any Person to sell, transfer or grant participations to such Person or to any third Person, with respect to any of the Consideration Shares.

(b) It is an accredited investor as defined in section 2.3 of National Instrument 45-106 promulgated by the Canadian Securities Administrators.

(c) It understands that the Company has no obligation to register for resale or qualify the distribution of the Consideration Shares, and if an exemption from registration or qualification is available, such exemption may be conditioned on various requirements, including the time and manner of sale, the holding period for the Consideration Shares, and on requirements relating to the Purchaser which are outside of its control, and which the Purchaser is under no obligation and may not be able to satisfy.

(d) It has been furnished with or has had access to the information it has requested from the Purchaser and has had an opportunity to discuss with the management of the Purchaser the business and financial affairs of the Purchaser, and has generally such knowledge and experience in business and financial matters and with respect to investments in securities of privately held companies so as to enable it to understand and evaluate the risks of such investment and to form an independent investment decision with respect thereto.

(e) It is aware that (i) the Purchaser is not a "reporting issuer" or the equivalent in any jurisdiction and, accordingly, the Consideration Shares will be subject to an indefinite hold period under Applicable Law, (ii) the Consideration Shares are not listed on any stock exchange and no public market exists for the Consideration Shares, (iii) the Consideration Shares are subject to transfer restrictions contained in the Purchaser's constating documents, and (iv) it may not be able to resell the Consideration Shares except in accordance with limited exemptions under Applicable Law.

(f) It is aware that (i) the Purchaser is relying on exemptions from the requirements under Applicable Law to provide it with a prospectus, and no prospectus has been filed by the Purchaser with any stock exchange or regulatory authority in connection with the issuance of the Consideration Shares, (ii) no stock exchange, governmental agency, securities commission or similar regulatory authority has reviewed or passed on or made any finding or determination as to the merits of, or made any recommendation or endorsement with respect to, the Consideration Shares, (iii) there is no government or other insurance covering the Consideration Shares and (iv) there are risks associated with the purchase of the Consideration Shares. It is aware of the characteristics of the Consideration Shares and the risks relating to an investment in the Consideration Shares. It is able, without impairing its financial condition, to bear the economic risk of, and withstand a complete loss of, the investment in the Consideration Shares.

(g) Neither it, nor any of its officers, directors, employees, agents, attorneys, shareholders or partners has either directly or indirectly, including, through a broker or finder (i) engaged in any general solicitation or (ii) published any advertisement in connection with the offer and sale of the Consideration Shares.

(h) It resides in the province, territory or country in which the office or offices of its principal place of business is located as set out on Section 8.13.

5.2 Representations and Warranties of Heppells Regarding the Purchased Real Property. Heppells represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying on these representations and warranties in connection with its purchase of the Purchased Real Property (indirectly through the Company) and that the Purchaser would not purchase the Purchased Real Property without these representations and warranties:

(1) Purchased Real Property Matters.

(a) Heppells is the sole legal and beneficial owner of the Purchased Real Property. Heppells has the exclusive right to possess, use and occupy, and has good and marketable title in fee simple to the Purchased Real Property, free and clear of all Encumbrances other than the Real Property Permitted Encumbrances. All Appurtenances situated on the Purchased Real Property are being transferred on an “as is, where is” basis as exists on the Closing Date.

(b) Except for any use of the Leased Real Property by the Company and for Operational Certificate and Environmental Non-Compliance, the Purchased Real Property and the current uses of and the conduct of all business by Heppells on those properties comply with all Applicable Laws, including those dealing with zoning, parking, access, loading facilities, landscaped areas, building construction, fire and public health and safety, and comply with all applicable restrictive covenants which constitute Real Property Permitted Encumbrances.

(c) No alteration, repair, improvement or other work has been ordered, directed or requested in writing to Heppells to be done or performed to or in respect of the Purchased Real Property or to any of the plumbing, heating, ventilating, air-conditioning, sprinkler, elevating, water, drainage, mechanical or electrical systems, fixtures or works therein or relating thereto by any Governmental Authority, which alteration, repair, improvement or other work has not been completed, and no written notification has been given to Heppells of any such work being ordered, directed or requested, other than those that have been complied with.

(d) All accounts for work done, services performed and materials supplied, placed or furnished on or in respect of the Purchased Real Property at the request of Heppells or for a contractor of Heppells or a subcontractor thereto have been fully paid and satisfied, and, except as a result of any use of the Leased Real Property by the Company, no Person is entitled to claim a lien or privilege under the *Builders Lien Act* (British Columbia) or similar Applicable Law in the other provinces and territories of Canada against the Purchased Real Property or any part thereof, other than current accounts in respect of which the payment due date has not yet passed.

(e) There is nothing owing in respect of the Purchased Real Property by Heppells to any municipal corporation or to any other corporation or commission owning or operating a public utility for water, gas, electrical power or energy, steam or hot water, or for the use thereof, other than current accounts in respect of which the payment due date has not yet passed.

(f) No part of the Purchased Real Property has been taken or expropriated by any competent Governmental Authority nor has any notice or proceeding in respect thereof been given or commenced.

(g) The Real Property Permitted Encumbrances constitute all of the Encumbrances that affect the Purchased Real Property and Appurtenances, and there is no breach or default under any of the Real Property Permitted Encumbrances.

(h) All Taxes payable in respect of the Purchased Real Property have been fully paid and satisfied, other than current accounts in respect of which the payment due date has not yet passed; and there are no levies, charges or fees assessed against the Purchased Real Property by any Governmental Authority (including development or improvement levies, charges or fees) which have not been paid in full.

(i) The boundaries of the Purchased Real Property does not conflict with those of any adjoining property, there are no encroachments from the Purchased Real Property onto, and no encroachments onto the Purchased Real Property from, the adjoining properties or streets, and there are no encroachments onto any part of the Purchased Real Property that is subject to an easement or right-of-way.

(j) No director, officer or employee, or former director, officer or employee, of Heppells has made or asserted, or will be entitled to make or assert, any claim of any nature against the Purchased Real Property.

(k) Except for routine property transfer tax and land title office filings and registrations, no consent or approval of or registration, declaration or filing with any governmental commission, board or other regulatory body is required for the transfer of the Purchased Real Property.

(l) Heppells is not now and has not been a party to any collective agreement or subject to any collective bargaining obligation relating to the Purchased Real Property or any business conducted on the Purchased Real Property with any labour union or other association of employees.

(m) There are no rights of first refusal to purchase, options to purchase, rights of first refusal to lease, options to lease or similar agreements which have been granted by Heppells in respect the Purchased Real Property, except for a right of first refusal granted by Heppells in favour of the Company which will be terminated on or before Closing.

(n) Heppells is not in default under any provision of any of the Real Property Permitted Encumbrances or any agreement in any way related to the Purchased Real Property in any material respect and has materially performed all of its obligations with respect to all such Real Property Permitted Encumbrances and agreements.

(o) There are no outstanding liabilities for Taxes payable, collectible or remittable by Heppells, whether assessed or not, which may result in an Encumbrance on or other claim against or seizure of all or any part of the Purchased Real Property or which would otherwise adversely affect the Purchased Real Property or would result in the Purchaser or the Company becoming liable or responsible for those liabilities. Heppells is duly registered under Subdivision (d) of Division V of Part IX of the ETA and its registration number is 831830286RT0001. Heppells has not made any election or designation for purposes of any Applicable Law relating to Taxes that would affect the Purchased Real Property after the Closing Date.

(2) <u>Purchased Real Property Environmental Matters</u>.

(a) Except for Operational Certificate and Environmental Non-Compliance or for the actions or omissions of the Company in respect of the Leased Real Property and related

Appurtenances, the Purchased Real Property and the Appurtenances have been and are in compliance with all Environmental Laws.

(b) Except for the discharge of Contaminants in compliance with Environmental Laws and Environmental Permits, and except for Operational Certificate and Environmental Non-Compliance, Heppells has not used or permitted to be used the Purchased Real Property, the Appurtenances for the disposal of Contaminants, and to the knowledge of the Heppells there has not been any such use. Heppells has not received any notice that it is potentially responsible for any clean-up or corrective action at the Purchased Real Property.

(c) Except as related to the operation of the Business by the Company, there are no orders or directions issued or pending under Environmental Laws relating to the Purchased Real Property or the Appurtenances, nor has Heppells received notice of any such orders or directions.

(d) Except for the discharge of Contaminants in compliance with all Environmental Laws and Environmental Permits, and except for Operational Certificate and Environmental Non-Compliance or as a result of any action or omission of the Company in respect of the Leased Real Property, Heppells has not caused or permitted, and Heppells does not have any knowledge of, the release, migration or discharge, in any manner whatsoever, of any Contaminant on or from the Purchased Real Property and the Appurtenances.

(e) True, accurate and complete copies of all material documents, including Environmental Permits and any certificates, disclosure documents, or reports, issued, filed or registered on title or with any Governmental Authority in the past six years, pursuant to Environmental Laws with respect to the Purchased Real Property and the Appurtenances (other than those issued to or in the name of the Company in respect of the Leased Real Property) have been provided to the Purchaser.

(f) True, accurate and complete copies of all environmental audits, site assessments, risk assessments, studies or tests relating to the Purchased Real Property and the Appurtenances that were commissioned by or for Heppells or that are in the possession or control of the Heppells, have been provided to the Purchaser.

(g) There are no underground heating oil storage tanks located on the Purchased Real Property.

5.3 Representations and Warranties of the Vendors Relating to the Company. The Vendors jointly and severally represent and warrant to the Purchaser as follows and acknowledge that the Purchaser is relying on these representations and warranties in connection with its purchase of the Purchased Shares and that the Purchaser would not purchase the Purchased Shares without these representations and warranties:

(1) Organization and Status. The Company is duly incorporated and organized, and is validly subsisting, under the laws of the Province of British Columbia and is up-to-date in the filing of all corporate and similar returns under the laws of that jurisdiction. The Company is duly registered, licensed or qualified to carry on business, is in good standing and up-to-date in the filing of all corporate and similar returns, under the laws of the Province of British Columbia. British Columbia is the only jurisdiction in which the nature of the Business or the Company's assets makes the registration, licensing or qualification necessary.

(2) Corporate Power. The Company has all necessary corporate power and authority to own or lease its assets and to carry on the Business as now being conducted by it.

(3) Authorized and Issued Capital. Schedule 5.3(3) sets out the authorized and issued shares of the Company, the names of the Persons who are shown on the securities register of the Company as the holder of any of the shares, the names of the Persons who are the beneficial owners of any of the shares, and the number and class of shares held or owned, as the case may be, by each Person. All of the shares indicated in Schedule 5.3(3) are the only issued and outstanding shares of the Company and have been validly issued and are outstanding as fully paid and non-assessable shares, and were not issued in violation of the pre-emptive rights of any Person or any Contract or Applicable Law by which the Company was bound as the time of the issuance. Other than as set out on Schedule 5.3(3), there are no shareholders agreements, voting trusts, pooling agreements or other Contracts, arrangements or understandings in respect of the voting of any of the shares of the Company. True, accurate and complete copies of the Constating Documents have been provided to the Purchaser prior to the date of this Agreement.

(4) Options. No Person has any Contract or any right or privilege capable of becoming a Contract, including convertible securities, warrants or convertible obligations of any nature, for the purchase, subscription, allotment or issuance of any issued or un-issued shares or other securities of the Company.

(5) Absence of Conflict. The completion of the Transactions will not (whether after the passage of time or notice or both) result in:

(a) the breach or violation of any of the provisions of, or constitute a default under, or give any Person the right to seek or cause a termination, cancellation, amendment or renegotiation of any Contract to which the Company is a party or by which any of its assets is bound or affected or any Contract in respect of an Employee Plan;

(b) the breach or violation of any of the provisions of, or constitute a default under, or conflict with any of the obligations of the Company under:

(i) any provision of the Constating Documents or resolutions of the board of directors (or any committee thereof) or shareholders of the Company;

(ii) any judgment, decree, order or award of any Governmental Authority having jurisdiction over the Company;

(iii) any Approval issued to, or held by, the Company; or

(iv) any Applicable Law;

(c) the creation or imposition of any Encumbrance over any of the Company’s assets;

(d) the breach of or constitute a default under any term or provision of any Contract, Applicable Law or Encumbrance to which Heppells or the Purchased Real Property is bound or subject or which would result in the creation of any Encumbrance on the Purchased Real Property; or

(e) the requirement of any Approval from any of the creditors of the Company.

(6) Conduct of Business. Except for Operational Certificate and Environmental Non-Compliance, the Company has complied with, and has conducted the Business in compliance with, in all material respects all Applicable Laws. The Business is the only business operation carried on by the Company and its assets are sufficient to permit the continued operation of the Business in substantially the same manner as conducted in the one year period preceding the date of this Agreement.

(7) No Subsidiaries. The Company does not own and does not have any Contracts of any nature to acquire, directly or indirectly, any Equity Interests, or to make any investment (whether debt or equity) in any Person and the Company does not have any Contracts to acquire by any manner whatsoever or lease any other business operations.

(8) Bankruptcy. The Company is not an insolvent Person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) and has not made an assignment in favour of its creditors or a proposal in bankruptcy to its creditors or any class thereof, and no petition for a receiving order has been presented in respect of it. The Company has not initiated proceedings with respect to a compromise or arrangement with its creditors or for its winding up, liquidation or dissolution. No receiver or interim receiver has been appointed in respect of the Company or any of its assets and no execution or distress has been levied on any of the Company's assets, nor have proceedings been commenced in connection with any of the foregoing.

(9) Company Real Property Matters. The Company does not own any real property. Except for the Company Leases, the Company is not a party to any lease or Contract in the nature of a lease in respect of real property. The real property described in the Company Leases is the only real property used by the Company in the operation of the Business during the 12 months immediately preceding the Closing.

(10) Leased Real Property Matters.

(a) All Appurtenances situated on the Purchased Real Property are being transferred on an "as is, where is" basis as exists on the Closing Date.

(b) Except for Operational Certificate and Environmental Non-Compliance, the current uses of the Leased Real Property and the conduct of the Business by the Company on those properties comply with all Applicable Laws, including those dealing with zoning, parking, access, loading facilities, landscaped areas, building construction, fire and public health and safety, and comply with all applicable restrictive covenants which constitute Real Property Permitted Encumbrances.

(c) No alteration, repair, improvement or other work has been ordered, directed or requested in writing by the Company to be done or performed to or in respect of the Leased Real Property or to any of the plumbing, heating, ventilating, air-conditioning, sprinkler, elevating, water, drainage, mechanical or electrical systems, fixtures or works therein or relating thereto by any Governmental Authority, which alteration, repair, improvement or other work has not been completed, and no written notification has been given to the Company of any such work being ordered, directed or requested, other than those that have been complied with.

(d) All accounts for work done, services performed and materials supplied, placed or furnished on or in respect of the Leased Real Property at the request of the Company or for a contractor of the Company or a subcontractor thereto have been fully paid and satisfied, and no Person is entitled to claim a lien or privilege under the *Builders Lien Act* (British Columbia) or similar Applicable Law against the Leased Real Property or any part thereof, other than current accounts in respect of which the payment due date has not yet passed.

(e) There is nothing owing in respect of the Leased Real Property by the Company to any municipal corporation or to any other corporation or commission owning or operating a public utility for water, gas, electrical power or energy, steam or hot water, or for the use thereof, other than current accounts in respect of which the payment due date has not yet passed.

(f) No amount of Taxes is payable by the Company pursuant to the Company Leases other than current accounts in respect of which the payment due date has not yet passed, and there are no levies, charges or fees assessed against the Leased Real Property by any Governmental Authority (including development or improvement levies, charges or fees) which have not been paid in full.

(g) Except for Wesley Heppell's ownership interest in the Purchased Real Property indirectly through Heppells, no director, officer or employee, or former director, officer or employee, of the Company has made or asserted, or will be entitled to make or assert, any claim of any nature against the Leased Real Property.

(h) The Company is not in default under any provision of any of the Real Property Permitted Encumbrances, or any agreement in any way related to the Leased Real Property in any material respect and has materially performed all of its obligations with respect to all such Real Property Permitted Encumbrances and agreements.

(i) Without limiting the representations and warranties of Heppells in Section 5.2, the Vendors make no representations in this Section 5.3(10) regarding any portion of the Purchased Real Property other than the Leased Real Property.

(11) Title to Other Property. The Company has good and marketable title to all of its assets, free and clear of all Encumbrances other than the Permitted Encumbrances, which such assets are being transferred on an "as is, where is" basis as exists on the Closing Date.

(12) Personal Property. Schedule 5.3(12) is a true, accurate and complete list of each item of machinery, equipment, furniture, motor vehicles and other personal property owned or leased by the Company (including those in possession of third parties), as the case may be, having a book value in excess of $1,000.

(13) Personal Property Leases. Schedule 5.3(13) is a true, accurate and complete list of all equipment leases, chattel leases, rental agreements, conditional sales agreements and similar agreements relating to any of the Company's assets (the "**Personal Property Leases**") and identifies those Personal Property Leases that cannot be terminated by the Company without liability at any time on less than 30 days' notice or that involve payment by it in the future of more than $10,000. All of the Personal Property Leases were entered into by the Company in the Ordinary Course. True, accurate and complete copies of all Contracts set out in Schedule 5.3(13), or where those Contracts are oral, true, accurate and complete summaries of their terms, have been provided to the Purchaser.

(14) Inventories. The Inventories do not include any items that are slow moving, below standard quality or of a quality or quantity not usable or saleable in the Ordinary Course, the value of which has not been written down on its books of account to net realizable market value. The inventory levels of the Company have been maintained at such amounts as are required for the operation of the Business as previously and currently conducted, and such inventory levels are adequate therefor.

(15) Accounts Receivable. All Accounts Receivable are *bona fide* and good and have been incurred in the Ordinary Course and are shown on the financial Books and Records. Subject to an allowance for doubtful accounts that has been reflected on the financial Books and Records in accordance with GAAP, all Accounts Receivable are collectible at their full face value in the Ordinary Course without set-off or

counterclaim. None of the Accounts Receivables is due from an Affiliate of the Company or from either of the Vendors or from any Employee.

(16) Intellectual Property.

(a) Schedule 5.3(16)(a) lists all Owned Intellectual Property and Licensed Intellectual Property (other than off-the-shelf software costing less than $5,000 in any calendar year), that is owned by, or licensed to, the Company and material to the Company's business or operations (the "**Business Intellectual Property**"). The Company owns or has adequate, valid and enforceable rights to use all Business Intellectual Property, free and clear of all Encumbrances. The Company is not bound by any outstanding judgment, injunction, order or decree restricting the use of the Business Intellectual Property or restricting the licensing thereof to any person or entity.

(b) To the knowledge of the Vendors, the Company's prior and current use of the Business Intellectual Property has not and does not infringe, violate, dilute or misappropriate the Intellectual Property of any person or entity and there are no claims pending or threatened by any person or entity with respect to ownership, validity, enforceability, effectiveness or use of the Business Intellectual Property. To the knowledge of the Vendors, no person or entity is infringing, misappropriating, diluting or otherwise violating any of the Business Intellectual Property, and the Company has not made or asserted any claim, demand or notice against any person or entity alleging any such infringement, misappropriation, dilution or other violation.

(17) Internal IT Systems.

(a) The Internal IT Systems are either owned by, or properly licensed or leased to, the Company. The Company is not in default under the licences or leases and there are no grounds on which they might be terminated. There are no circumstances in which the ownership, benefit, or right to use the Internal IT Systems may be lost by virtue of the Transaction or the performance of this Agreement.

(b) The Internal IT Systems adequately meet the data processing needs of the Business and the Company's operations and affairs, in each case as presently conducted and as currently contemplated to be conducted.

(18) Insurance. Schedule 5.3(18) sets out true, accurate and complete particulars of all insurance policies maintained by the Company on the Business, on its assets and on the Employees (the "**Insurance Policies**"), specifying in each case, the name of the insurer, the risks insured against, the amount of the coverage, the amount of the annual premium, the amount of the deductible, details of the amount of premiums (whether prepaid or unpaid) from prior years, the policy number, and any pending claims under the policy. The Company is not in default, whether as to the payment of premiums or with respect to any other provision contained in any Insurance Policy or has failed to give any notice or present any claim under any Insurance Policy in a due and timely manner. No Vendor has any reason to believe that any of the Insurance Policies will not be renewed by the insurer on the scheduled expiry of the policy or will be renewed by the insurer only on the basis that there will be a material increase in premiums payable in respect of the policy. True, accurate and complete copies of all Insurance Policies have been provided to the Purchaser prior to the date of this Agreement.

(19) No Expropriation. None of the Company's assets reflected on the Financial Statements have been taken or expropriated by any Governmental Authority nor has any notice or proceeding in respect thereof

been given or commenced and, to the knowledge of the Vendors, there is not any intent or proposal to give any such notice or commence any such proceeding.

(20) Material Contracts and Other Contracts. Except as set out in Schedule 5.3(20), the Company is not a party to or bound by:

(a) any continuing Contract for the purchase of materials, supplies, equipment or services which involves payment under that Contract of more than $10,000;

(b) any employment or consulting Contract or any other written Contract with any officer, Employee or consultant (other than oral Contracts of indefinite hire terminable by the employer without cause on reasonable notice) or any Contract in relation to any Employee Plan;

(c) any trust indenture, mortgage, hypothec, promissory note, debenture, loan agreement, guarantee or other Contract for the borrowing of money or a leasing transaction of the type required to be capitalized in accordance with GAAP;

(d) any agreement of guarantee, support, indemnification, assumption or endorsement of, or any other similar commitment with respect to, the liabilities, obligations, indebtedness, or commitments (whether accrued, absolute, contingent or otherwise) of any Person;

(e) any Contract for capital expenditures in excess of $10,000 in the aggregate;

(f) any Contract for the sale of any of the Company's assets or any part of the Business, other than the sale of Inventories in the Ordinary Course;

(g) any confidentiality, secrecy or non-disclosure Contract (whether the Company is a beneficiary or obligor thereunder) relating to any proprietary or confidential information, other than customer Contracts entered into in the Ordinary Course, or any non-competition or similar Contract;

(h) any lease or Contract in the nature of the lease in respect of real property;

(i) any Contract to which the Company is a party or by which the Company is bound or by which any of its assets is subject, made in the Ordinary Course and which involves or may reasonably involve the payment to or by the Company in excess of $10,000 over the term of the Contract (a "**Material Contract**"); or

(j) any Contract entered into by the Company other than in the Ordinary Course.

True, accurate and complete copies of all Contracts set out in Schedule 5.3(20), or where those Contracts are oral, true, accurate and complete summaries of their terms, have been provided to the Purchaser prior to the date of this Agreement.

(21) No Default Under Contracts. The Company has performed all of the obligations required to be performed by it in all material respects and is entitled to all benefits under, and is not in default or alleged to be in default in any material respect, each Contract relating to the Business, the Company's assets or the Employee Plans (including the Contracts referred to in any Schedule to this Agreement), to which the Company is a party or by which the Company is bound or affected. All such Contracts are in good standing and in full force and effect, and no event, condition or occurrence exists that, after notice or lapse of time

or both, would constitute a default under any such Contract. There is no dispute between the Company and any other party under any such Contract. None of those Contracts contain terms under which the execution or performance of this Agreement would give any other contracting party the right to terminate or adversely change the terms of that Contract or would otherwise require the consent of any other Person.

(22) Permits. Schedule 5.3(22) sets out a true, accurate and complete list of Permits issued to or held by or for the benefit of the Company, and there are no other Permits necessary to conduct the Business or to own, lease or operate any of the Company's assets. Each such Permit is valid, subsisting and in good standing. Except for Operational Certificate and Environmental Non-Compliance, the Company is not in default or in breach of the terms of any such Permit and, to the knowledge of the Vendors, there exists no grounds, nor is any action or proceeding pending or, to the knowledge of the Vendors, threatened to revoke, suspend, amend or limit any such Permit. Except as disclosed in Schedule 5.3(22) none of those Permits contain terms under which the execution and performance of this Agreement would give the issuer of that Permit the right to terminate or adversely change the terms of that Permit or would require the consent of any Person. True, accurate and complete copies of all Permits set out in Schedule 5.3(22) have been provided to the Purchaser prior to the date of this Agreement.

(23) Regulatory and Third Party Approvals.

(a) There is no requirement to make any filing with, give any notice to or obtain any Permit as a condition to the lawful completion of the Transactions, transfer of the Purchased Real Property or to permit the Company to conduct the Business after Closing as the Business is currently conducted by the Company, except for routine property transfer tax and land title office filings and registrations.

(b) There is no requirement under any Contract or Permit relating to the Purchased Real Property, the Business, the Company's assets, the Employee Plans, the Permitted Encumbrances, the Real Property Permitted Encumbrances, or the Company to which either a Vendor or the Company is a party or by which the Business, the Company's assets, the Employee Plans or the Company is bound or affected for any Approvals from any party to that Contract or Permit or from any other Person relating to the completion of the Transactions.

(24) Financial Statements. The Financial Statements have been prepared in accordance with GAAP consistently applied throughout the periods indicated on a basis consistent with those of previous fiscal years and fairly, completely and accurately present in all material respects the assets, liabilities (whether accrued, absolute, contingent or otherwise) and financial condition of the Company as at the respective dates indicated and the sales, earnings and results of operations of the Company throughout the periods indicated. True, correct and complete copies of the Financial Statements have been provided to the Purchaser prior to the date of this Agreement.

(25) Books and Records. The Vendors have made available for review by the Purchaser all material Books and Records. The Books and Records:

(a) accurately reflect the basis for the financial condition and the revenues, expenses and results of the operations of the Company shown in the Financial Statements;

(b) present fairly the financial condition and the revenues, expenses and results of the operations of the Company as of and to the date of this Agreement and Closing; and

(c) are not recorded, stored, maintained, operated or otherwise dependent on or held by any means (including any electronic, mechanical or photographic process, whether computerized or not), which are not or will not be available to the Company in the Ordinary Course after Closing.

(26) Corporate Records. The minute books of the Company are complete and correct in all material respects and have been maintained in accordance with sound business practices in all material respects. The share certificate book, register of shareholders, register of directors and officers, securities register and register of transfer of the Company are true, accurate and complete.

(27) Undisclosed Liabilities. The Company has no liabilities, obligations, indebtedness or commitments, whether accrued, absolute, contingent or otherwise, and is not a party to or bound by any agreement of guarantee, support, indemnification, assumption or endorsement of, or any other similar commitment with respect to the liabilities, obligations, indebtedness or commitments (whether accrued, absolute, contingent or otherwise) of any Person, that are not disclosed in the Financial Statements, other than liabilities, obligations, indebtedness and commitments in respect of trade or business obligations incurred after the Financial Statements Date in the Ordinary Course, that do not exceed $25,000 in the aggregate and that do not have a Material Adverse Effect.

(28) Absence of Changes. Except as described in Schedule 5.3(28), since the *Financial Statements Date,* the Company has carried on the Business and conducted its operations and affairs only in the Ordinary Course and the Company has not:

(a) made or suffered any Material Adverse Change;

(b) suffered any material damage, destruction or loss (whether or not covered by insurance) affecting its assets;

(c) incurred any liability, obligation, indebtedness or commitment (whether accrued, absolute, contingent or otherwise, and whether due or to become due), other than unsecured current liabilities, obligations, indebtedness and commitments incurred in the Ordinary Course;

(d) paid, discharged or satisfied any Encumbrance, liability, obligation, indebtedness or commitment of the Company (whether accrued, absolute, contingent or otherwise, and whether due or to become due) other than payment of accounts payable and Tax liabilities incurred in the Ordinary Course;

(e) declared, set aside or paid any dividend or made any other distribution with respect to any shares in the capital of the Company or redeemed, repurchased or otherwise acquired, directly or indirectly, any such shares;

(f) issued or sold or entered into any Contract for the issuance or sale of any shares in the capital of or securities convertible into or exercisable for shares in the capital of the Company;

(g) suffered any labour trouble or disruption, including any strike or lock out, adversely affecting the Company or the Business;

(h) made or granted, or entered into any agreement to make or grant, any licence, sale, assignment, transfer, disposition, pledge, mortgage, hypothec or security interest or other Encumbrance of, on or over any of its assets;

(i) made any write-off as uncollectible of any Accounts Receivable or any portion thereof in amounts exceeding $5,000 in each instance or $15,000 in the aggregate;

(j) cancelled any debts or claims or made any amendment, termination or waiver of any rights of value to the Company in amounts exceeding $5,000 in each instance or $15,000 in the aggregate;

(k) made any general increase in the compensation of Employees (including, any increase pursuant to any Employee Plan or commitment) or any increase in any compensation, benefits or bonus payable to any officer, Employee, consultant or agent of the Company or executed any employment Contract with any officer or Employee, or made any loan to, or engaged in any transaction with, any Employee, officer or director of the Company or made any amendment to any Employee Plan or established or adopted any Employee Plan or entered into any Contract in respect of any Employee Plan;

(l) made any capital expenditures or commitments of the Company in excess of $10,000 in the aggregate;

(m) made any change in the accounting, costing or tax practices followed by the Company;

(n) terminated, cancelled or modified or received any notice of a request for termination, cancellation or modification of any Material Contract; or

(o) authorized or agreed to or otherwise committed to do any of the foregoing.

(29) Taxes.

(a) The Company has filed in the prescribed manner and within the prescribed times all Tax Returns required to be filed by it in all applicable jurisdictions before the Closing Date. All Tax Returns that have been filed by, or with respect to the Company are true, complete and correct in all material respects, report all income and all other amounts and information required to be reported thereon, and disclose all Taxes required to be paid for the periods covered thereby. No Governmental Authority has challenged or disputed a filing position taken by the Company in any Tax Return. The Company has never been required to file any Tax Returns with, and the Company has never been liable to pay or remit Taxes to, any Governmental Authority outside Canada. The Company has duly and timely paid all Taxes due and payable by it, including all instalments on account of Taxes that are due and payable before the Closing Date, whether or not assessed by the appropriate Governmental Authority, and has duly and timely paid all assessments and reassessments they have received in respect of all Taxes.

(b) The Vendors have provided to the Purchaser true, complete and accurate copies of all Tax Returns filed by the Company prior to Closing in respect of the last four completed taxation years or periods and all working papers and all communications to or from all Governmental Authorities relating to such Tax Returns and to Taxes of the Company for such taxation years including notices of assessment. Canadian federal and provincial income, capital, goods and services and harmonized sales, provincial retail sales and payroll Tax assessments have been issued to the Company for all taxation years or periods up to and including its taxation year ended December 31, 2019. No notices of determination of loss from the CRA to the Company have been requested by or issued to the Company. The Company has not requested, received or entered into any advance Tax rulings or advance pricing agreements from or with any Governmental Authority.

(c) The Company's Financial Statements and Closing Balance Sheet contain adequate provision in accordance with GAAP (in particular, the "taxes payable" policy of the accounting standards for private enterprises (ASPE)) for all Taxes payable by the Company in respect of each period covered by such Financial Statements and all prior periods to the extent those Taxes have not been paid, whether or not assessed and whether or not shown to be due on any Tax Returns.

(d) There are no audits, reassessments or other Proceedings in progress or, to the knowledge of the Vendors, threatened against the Company, in respect of any Taxes and, in particular, there are no currently outstanding reassessments or written enquiries which have been issued or raised by any Governmental Authority relating to any such Taxes. No Vendor is aware of any contingent liability of the Company for Taxes or any grounds that could prompt an assessment or reassessment for Taxes, and the Company has not received any written indication from any Governmental Authority that any assessment or reassessment is proposed.

(e) The Company has not entered into any transactions with any non-resident of Canada (for the purposes of the Tax Act) with whom the Company was not dealing at arm's length (within the meaning of the Tax Act). The Company has not acquired property from any Person in circumstances where the Company did or could have become liable for any Taxes payable by that Person pursuant to section 160 of the Tax Act.

(f) There are no agreements, waivers or other arrangements with any Governmental Authority extending the statutory period providing for an extension of time with respect to the issuance of any assessment or reassessment of Taxes, the filing of any Tax Return, or the payment of any Taxes by or in respect of the Company. The Company is not a party to any agreements or undertakings with respect to Taxes and the Company has not made any elections, designations or similar filings with respect to Taxes that have an effect for any period ending after the Closing Date.

(g) The Company has deducted, withheld or collected and remitted in a timely manner to the relevant Governmental Authority all Taxes or other amounts required to be deducted, withheld or collected and remitted by it. The Company has not received any requirement from any Governmental Authority pursuant to Section 224 of the Tax Act which remains unsatisfied in any respect.

(h) None of sections 15 or 80 to 80.04 (inclusive) of the Tax Act have applied or will apply to the Company at any time up to and including the Closing Date. The Company does not have any unpaid amounts that may be required to be included in income under Section 78 of the Tax Act for a taxation year ending after the Closing Date. The Company has not made any payments and the Company is not obligated to make any payments that may not be deductible by virtue of Section 67 of the Tax Act.

(i) The Company has not made an "excessive eligible dividend designation" as defined in the Tax Act (or any similar provision of state, local or foreign law); and with respect to the declaration and payment of all dividends on or prior to the Closing Date that were designated to be capital dividends (as provided pursuant to subsection 83(2) of the Tax Act), then (i) all such dividends so designated were recorded on Form T2054 (as prescribed under the regulations to the Tax Act) and which Form T2054 was filed with the Canada Revenue Agency (and any applicable provincial Governmental Authority) in the prescribed manner on or before the particular time on which any part of the dividend was paid; and (ii) as a consequence of the declaration of such capital dividends and the filing of the Form T2054, NAS Canada is not subject to any Tax pursuant to the provisions of Part III of the Tax Act (and applicable provisions of a provincial Tax statute).

(j) All Tax credits and refunds, including refundable and non-refundable investment Tax credits in respect of scientific research and experimental development claimed by the Company were claimed and calculated in accordance with applicable Law and accepted practices of the applicable Governmental Authority.

(k) The Company is a registrant for purposes of the ETA and its registration number is 83183 0286 RT 0001. All input tax credits claimed by the Company pursuant to the ETA have been proper, correctly calculated and documented in accordance with the requirements of the Act and regulations thereto. The Company has collected, paid and remitted when due all Taxes, including GST/HST and provincial retail sales taxes, collectible, payable or remittable prior to the Closing Date.

(30) Litigation. There are no Proceedings (whether or not purportedly on behalf of the Company) pending or, to the knowledge of the Vendors, threatened against or affecting, the Company or its assets. Except for Operational Certificate and Environmental Non-Compliance, to the knowledge of the Vendors, there is not any factual or legal basis on which any such Proceeding might be commenced with any reasonable likelihood of success.

(31) Accounts and Attorneys. Schedule 5.3(31) is a true, accurate and complete list of the accounts and safety deposit boxes of the Company and of Persons holding general or special powers of attorney from the Company and sets out: (a) the name of each bank, trust company or similar institution in which the Company has accounts or safety deposit boxes, the number or designation of each such account and safety deposit box and the names of all Persons authorized to draw thereon or to have access thereto; and (b) the name of each Person holding a general or special power of attorney from the Company and a summary of the terms thereof.

(32) Non-Arm's Length Transactions. The Company has not made any payment or loan to, or borrowed any moneys from or is otherwise indebted to, any officer, director, Employee, shareholder or any other Person not dealing at arm's length with the Company (within the meaning of the Tax Act), except as disclosed in the Financial Statements, except for usual employee reimbursements and compensation paid in the Ordinary Course and except for benefits paid in accordance with Employee Plans. Except for Contracts of employment and as disclosed in Schedule 5.3(32), the Company is not a party to any Contract with any officer, director, Employee, shareholder or any other Person not dealing at arm's length with the Company (within the meaning of the Tax Act). Except as disclosed in the Financial Statements, no officer, director or shareholder of the Company and no entity that is an Affiliate of one or more of those Persons:

(a) owns, directly or indirectly, any interest in (except for shares representing less than one per cent of the outstanding shares of any class or series of any publicly traded company), or is an officer, director, employee or consultant of, any Person which is, or is engaged in business as, a competitor of the Company or a lessor, lessee, supplier, distributor, sales agent or customer of the Company;

(b) other than the Purchased Real Property, owns, directly or indirectly, in whole or in part, any property that the Company uses in the operation of the Business; or

(c) has any cause of action or other claim whatsoever against, or owes any amount to, the Company in connection with the Business, except for any liabilities reflected in the Financial Statements and claims in the Ordinary Course.

(33) Environmental.

(a) Except for Operational Certificate and Environmental Non-Compliance:

(i) the Company has been and is in compliance with all Environmental Laws;

(ii) the Company's use of the Leased Real Property and the Appurtenances thereon has been and is in compliance with all Environmental Laws.

(b) The Company has obtained all Environmental Permits required for the operation of the Business, which is comprised solely of the Operational Certificate. Each such Environmental Permit is valid, subsisting and in good standing and, with the exception of the Operational Certificate and Environmental Non-Compliance, the Company is not in default or breach of any Environmental Permit in any material respect, and no Proceeding is pending or threatened to revoke or limit any Environmental Permit.

(c) Except for the discharge of Contaminants in compliance with Environmental Laws and Environmental Permits, and except for Operational Certificate and Environmental Non-Compliance, the Company has not used or permitted to be used the Leased Real Property, the related Appurtenances, any of its assets in connection with the Business or any property or facility that was at any time owned, occupied, operated, managed, used or controlled in connection with the Business, for the disposal of Contaminants, and to the knowledge of the Vendors there has not been any such use. The Company has not received any notice that it is potentially responsible for any clean-up or corrective action at the Leased Real Property.

(d) Except as set forth in Schedule 5.3(33)(d), neither the Company nor the Vendors, as applicable, have received any notice of, nor been prosecuted for an offence alleging non-compliance with any Environmental Laws, and the Company nor the Vendors, as applicable, have not settled any allegation of non-compliance short of prosecution.

(e) There are no orders or directions issued or pending under Environmental Laws relating to the Business, the Company's use or occupancy of the Leased Real Property, the related Appurtenances, or any of the Company's assets, nor has the Company received notice of any such orders or directions.

(f) Except for the discharge of Contaminants in compliance with all Environmental Laws and Environmental Permits, and except for Operational Certificate and Environmental Non-Compliance, the Company has not caused or permitted, and the Vendors do not have any knowledge of, the release, migration or discharge, in any manner whatsoever, of any Contaminant on or from the Leased Real Property and the related Appurtenances, any of the Company's assets or any property or facility that the Company previously owned or leased.

(g) True, accurate and complete copies of all material documents, including Environmental Permits and any certificates, disclosure documents, or reports, issued, filed or registered on title or with any Governmental Authority in the past six years, pursuant to Environmental

Laws with respect to the Business, the Leased Real Property, the related Appurtenances, or the Company's assets have been provided to the Purchaser.

(h) True, accurate and complete copies of all environmental audits, site assessments, risk assessments, studies or tests relating to the Company, the Leased Real Property, the related Appurtenances, the Business or the Company's assets or to any facility or property which the Company has at any time owned, occupied, leased, managed or controlled, that were commissioned by or for the Company or that are in the possession or control of the Company, have been provided to the Purchaser.

(i) To the knowledge of the Vendors, there are no underground heating oil storage tanks located on the Leased Real Property.

(34) Employee Plans.

(a) Schedule 5.3(34)(a) identifies each deferred compensation, bonus, incentive or other compensation, perquisite, share option, severance, medical benefit, life or other insurance, vision, dental, drug, health, sick leave, disability, salary continuation, vacation, supplemental unemployment benefits, profit sharing, employee loan or counselling, pension, retirement compensation, retirement savings, profit sharing, savings, and any other plan, program or arrangement, whether funded or unfunded, formal or informal, written or unwritten, that is maintained, contributed to, or required to be maintained or contributed to, by the Company, or to which the Company is a party, or bound by, or under which the Company has any liability or contingent liability, for the benefit of the Company's current and former directors, officers, shareholders, consultants, independent contractors or employees and their respective beneficiaries or dependents, other than Statutory Plans (the "**Employee Plans**"). The Company is the only participating employers of each Employee Plan. All members of, and Persons eligible to join, each Employee Plan are employed in the Province of British Columbia and all former members of each Employee Plan were employed in the Province of British Columbia during their membership.

(b) None of the Employee Plans is subject to any Applicable Law regarding pension standards.

(c) A true, accurate and complete copy of each written Employee Plan (as amended to date) and a written summary of all material terms of each unwritten Employee Plan have been provided to the Purchaser together with true, accurate and complete copies of all documents relating to each Employee Plan.

(d) All obligations of the Company due prior to Closing under or in respect of the Employee Plans and the Statutory Plans (whether pursuant to the terms thereof or any Applicable Law) have been satisfied, and there are no outstanding defaults or violations thereunder by the Company, nor, to the knowledge of the Vendors, any other Person. Without limiting the generality of the foregoing, all employer and employee payments, contributions and premiums required to be remitted or paid to or in respect of the Employee Plans and the Statutory Plans have been remitted or paid, in a timely manner to or in respect of the Employee Plans and the Statutory Plans in accordance with the terms thereof and all Applicable Laws, and no Taxes, non-Tax related interest, penalties or fees are owing or exigible under any of the Employee Plans.

(e) There are no improvements, increases or changes promised to the benefits provided under the Employee Plans and none of the Employee Plans provide for benefit increases or the acceleration of funding obligations or vesting that are contingent on, or will be triggered by, the entering into of this Agreement or the completion of the Transactions. The entering into of this Agreement or completion of the Transactions will not result in any payment (including bonus, golden parachute, retirement or other enhanced benefit) becoming payable under any Employee Plan.

(f) The Employee Plans may be amended, terminated or wound-up by the Company at any time without incurring any liabilities, costs, expenses or any other obligations, except ordinary administrative costs or expenses relating to that amendment, termination or wind-up.

(g) Neither the Employee Plans nor the Company, provide or have promised to provide benefits beyond retirement or other termination of service to current and former directors, officers, shareholders, consultants, independent contractors or employees and their respective beneficiaries or dependents.

(h) Each of the Employee Plans, which purports to qualify as a particular type of plan under the Tax Act or which has or purports to have Tax-favoured treatment, meets all requirements in effect under the Tax Act for such qualification or treatment and has complied with the provisions of the Tax Act and the administrative practices of the CRA applicable to that type of plan or treatment. No event has occurred respecting any Employee Plan which could reasonably be expected to adversely affect the Tax-favoured status of the Employee Plan or its qualification as a particular type of plan under the Tax Act.

(35) Labour Matters.

(a) The Company has not entered into or is a party to, either directly or by operation of law, any collective agreement, letters of understanding, letters of intent or other written communication with any trade union or association or organization that may qualify as a trade union or association, contingent or otherwise, which would cover any Employee or dependent contractor of the Company and the Employees or independent contractors of the Company are not subject to any collective agreements or letters of understanding, letters of intent or other written communication with any trade union or association or organization that may qualify as a trade union or association, contingent or otherwise, and are not, in their capacities as Employees, represented by any trade union or association or organization that may qualify as a trade union or association.

(b) There are no controversies, labour disturbances, investigations, Proceedings pending or, to the knowledge of the Vendors, threatened, by any Governmental Authority or between the Company and any Employee or one or more parties representing any of those Employees before any court, arbitrator, officer, inspector, board, commission, tribunal or agency. The Company is not liable for any damages, arrears of wages, penalties or Taxes for failure to comply with any of the foregoing.

(c) To the knowledge of the Vendors, there are no organizational efforts currently being made, threatened by or on behalf of, any trade union or association or organization that may qualify as a trade union or association with respect to the Employees. The Company has not experienced a work stoppage, strike, lock out or other labour disturbance within the past three years and there is no work stoppage, strike, lock-out or other labour disturbance currently occurring or threatened.

(d) The Company is in material compliance with its duties and obligations under all applicable employment-related statutes and laws and there are no outstanding decisions, orders, charges, tickets, notices or settlements or pending settlements under Applicable Laws regarding employment standards, human rights, Occupational Health and Safety or pay equity that place any obligation on the Company to do or refrain from doing any act. All costs, charges, experience rating assessments or other assessments or other liabilities, contingent or otherwise, under Applicable Laws regarding workers' compensation or otherwise relating to industrial accidents and/or occupational diseases claims applicable to the Company have been paid or accrued and there has not been any special or penalty charge or assessment under those legislation against the Company that has not been paid.

(e) No labour representatives hold bargaining rights with respect to any Employee by way of certification, interim certification, voluntary recognition designation or successor rights. No labour representatives have applied to be certified as the bargaining agent of any Employee and no labour representatives have applied to have the Company declared a related or successor employer. The Company has not conducted negotiations with respect to any future Contracts with any labour representatives, trade union or trade association.

(36) Employees and Others. Schedule 5.3(36) contains a true, accurate and complete list of the names of all individuals who are Employees or sales or other agents or representatives or independent contractors of the Company specifying the length of service, age, title, rate of salary, commission structure, vacation entitlement for each such Employee, agent, representative or independent contractor and whether or not the Employee, agent, representative or independent contractor is absent for any reason such as lay off, leave of absence, salary, insurance or workers' compensation.

(37) Customers and Suppliers. Schedule 5.3(37) lists the ten largest customers (by revenue) and the ten largest suppliers (by dollar value) of the Company for the 12 month period ended December 31, 2020, and the aggregate amount that each customer was invoiced and each supplier was paid during that period. To the knowledge of the Vendors, the Company has not received notice of, and there is not any intention on the part of any such customer or any such supplier to cease doing business with the Company or to modify or change in any material manner any existing arrangement with the Company or the purchase or supply of any products or services. There are no unresolved disputes with any such supplier or customer. No Contract with any supplier or customer contains terms under which the execution or performance of this Agreement would give the supplier or customer the right to terminate or adversely change the terms of that Contract. The Vendors have no reason to believe that the benefits of any relationship with any of the major customers or suppliers of the Company will not continue after the Closing Date in substantially the same manner as prior to the date of the Agreement.

(38) Ethical Practices. No Representative of the Company or any other Person associated with any Vendor, the Company or any Representative of any of them, has directly or indirectly:

(a) made or received any contribution, gift, bribe, rebate, payoff, influence payment, kickback, or other payment to or from any Person, private or public, regardless of form, whether in money, property or services (i) to obtain favourable treatment in securing business, (ii) to pay for favourable treatment in business secured, (iii) to obtain special concessions or for special concessions already obtained, for or in respect of the Company, or (iv) in violation of any Applicable Law; or

(b) established or maintained any fund or asset that has not been recorded in the Books and Records.

(39) No Finder's Fees. Neither any of the Vendors nor the Company has taken and will not take any action that would cause the Purchaser to become liable to any claim for a brokerage commission, finder's fee or other similar arrangement.

(40) Personal Information.

(a) All Personal Information is stored in British Columbia, Canada.

(b) The Company is, and has at all times been, in material compliance with all Privacy Requirements relating to the collection, use, retention and disclosure of Personal Information. The Company has obtained all required consents to its collection, use, retention and disclosure of the Personal Information from individuals to whom such Personal Information relates or, where such consents are obtained from a third party, the Company has verified that the third party has the consent of the individual to whom the information relates to disclose the Personal Information to the Company.

(c) The collection, use, retention and disclosure of Personal Information by the Company is, and has at all times been, within the scope of the consent provided by the individual to whom the Personal Information relates.

(d) The Company has not has received any communication from any Governmental Authority with respect to issues involving the collection, use, disclosure, retention or destruction of Personal Information by the Company, including any claims of unauthorized access or disclosure of such Personal Information, during the last five years.

5.4 Representations and Warranties of the Purchaser. The Purchaser represents and warrants to each Vendor as of the date hereof and as of the Closing as follows and acknowledges that each Vendor is relying on these representations and warranties in connection with the sale by that Vendor of its Vendor's Shares:

(1) Organization and Corporate Power. The Purchaser is a corporation duly incorporated and organized, and is validly subsisting, under the laws of the Province of British Columbia and is up-to-date in the filing of all corporate and similar returns under the laws of that jurisdiction. The Purchaser has all necessary corporate power and authority to acquire the Purchased Shares and the Purchased Real Property, to enter into this Agreement and to perform its obligations hereunder.

(2) Authorization. All necessary corporate action has been taken by or on the part of the Purchaser to authorize its execution and delivery of this Agreement and the contracts, agreements and instruments required by this Agreement to be delivered by it and the performance of its obligations hereunder and thereunder.

(3) Enforceability. This Agreement has been duly executed and delivered by the Purchaser and (assuming due execution and delivery by the other Parties) is a legal, valid and binding obligation of the Purchaser enforceable against it in accordance with its terms, except as that enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction. Each of the contracts, agreements and instruments required by this Agreement to be delivered by the Purchaser will at the Closing have been duly executed and delivered by it and (assuming due execution and delivery by the other parties

thereto) will be enforceable against it in accordance with its terms, except as that enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

(4) Bankruptcy. The Purchaser is not an insolvent person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) and has not made an assignment in favour of its creditors or a proposal in bankruptcy to its creditors or any class thereof, and no petition for a receiving order has been presented in respect of it. The Purchaser has not initiated proceedings with respect to a compromise or arrangement with its creditors or for its winding up, liquidation or dissolution. No receiver or interim receiver has been appointed in respect of it or any of its undertakings, property or assets and no execution or distress has been levied on any of its undertakings, property or assets, nor have any proceedings been commenced in connection with any of the foregoing.

(5) Consents and Approvals. There is no requirement for the Purchaser to make any filing with or give any notice to any Governmental Authority or to obtain any Permit, as a condition to the lawful completion of the Transactions.

(6) Absence of Conflict. The execution, delivery and performance by the Purchaser of this Agreement and the completion of the Transactions will not (whether after the passage of time or notice or both), result in:

(a) the breach or violation of any of the provisions of, or constitute a default under, or conflict with or cause the acceleration of any of its obligations, under:

(i) any provision of its Constating Documents or resolutions of its board of directors (or any committee thereof) or shareholders;

(ii) any Approval issued to, held by or for the benefit of, the Purchaser;

(iii) any Applicable Law; or

(b) the requirement for any Approval from any creditor of the Purchaser.

(7) No Finder's Fees. The Purchaser has not taken, and will not take, any action that would cause any Vendor to become liable to any claim for a brokerage commission, finder's fee or other similar arrangement.

(8) GST Registration. The Purchaser is duly registered under Subdivision (d) of Division V of Part IX of the ETA and its registration number is 734509334RT0001.

5.5 Survival of Representations, Warranties and Covenants of the Vendors. The representations and warranties of the Vendors and, to the extent that they have not been fully performed or waived at or prior to the Closing Time, the covenants and other obligations of the Vendors, in each case contained in this Agreement and in any contract, agreement, instrument, certificate or other document executed or delivered pursuant to this Agreement survive Closing and continue for the benefit of the Purchaser notwithstanding the Closing, provided that:

(a) the representations and warranties set out in Sections 5.1(1) (insofar as it relates to the due incorporation and organization and the valid existence of a Vendor), 5.1(2), 5.1(3), 5.1(4), 5.1(5), 5.1(6), 5.1(7), 5.2(1)(a), 5.3(1) (insofar as it relates to the due incorporation and organization and the valid existence of the Company), 5.3(2), 5.3(3), 5.3(4), 5.3(7), 5.3(8) and 5.3(10) (insofar as it relates to title to and Encumbrances relating to the Company's assets) survive and continue in full force and effect without limitation of time;

(b) the representations and warranties set out in Sections 5.3(29) and 5.3(34) (insofar as Section 5.3(34) relates to Tax matters) survive Closing and continue in full force and effect until, but not beyond, the 90th day following the expiration of the period, if any, during which an assessment, reassessment or other form of recognized document assessing liability for Taxes under applicable Tax legislation in respect of any taxation year to which those representations and warranties extend could be issued under that Tax legislation to the Company, provided the Company did not file any waiver or other document extending that period;

(c) the representations and warranties set out in Section 5.3(33) survive Closing and continue in full force and effect until, but not beyond three years;

(d) the remainder of the representations and warranties set out in Sections 5.1, 5.2 and 5.3 survive Closing and continue in full force and effect until, but not beyond, the date that is twelve months after the Closing Date; and

(e) notwithstanding Sections 5.5(a) through 5.5(d), a claim for any breach by any of the Vendors of any of the representations, warranties and covenants contained in this Agreement or in any contract, agreement, instrument, certificate or other document executed or delivered pursuant hereto involving fraud, fraudulent misrepresentation, intentional misrepresentation or deliberate or wilful breach may be made at any time following the Closing Date, subject only to applicable limitation periods imposed by Applicable Law.

5.6 Survival of the Representations, Warranties and Covenants of the Purchaser. The representations and warranties of the Purchaser and, to the extent that they have not been fully performed or waived at or prior to Closing, the covenants and other obligations of the Purchaser, contained in this Agreement and in any contract, agreement, instrument, certificate or other document executed or delivered pursuant to this Agreement survive Closing and continue for the benefit of the Vendors notwithstanding the Closing, provided that:

(a) the representations and warranties set out in Section 5.4 survive Closing and continue in full force and effect, but not beyond, the date that is twelve months after the Closing Date; and

(b) notwithstanding Section 5.6(a), a claim for any breach by the Purchaser of any of its representations, warranties and covenants contained in this Agreement or in any contract, agreement, instrument, certificate or other document executed or delivered pursuant hereto involving fraud, fraudulent misrepresentation, intentional misrepresentation or deliberate or wilful breach may be made at any time following the Closing Date, subject only to applicable limitation periods imposed by Applicable Law.

5.7 Termination of Liability. No Party or other Person is entitled to indemnification pursuant to this Agreement unless the Party or other Person has given written notice of its Claim for indemnification pursuant to Section 6.4 or Article 7, as the case may be, prior to the expiry of the relevant survival period prescribed by Sections 5.5 and 5.6 and in that event, only on and subject to the terms and conditions of and to the extent provided for in Section 6.4 and Article 7.

ARTICLE 6
TAX MATTERS

6.1 Preparation and Filing of Tax Returns. The Purchaser shall cause to be prepared all Tax Returns of the Company that relate to taxation periods commencing before the Closing Date and are not due for filing until after the Closing Date. The Vendors shall co-operate fully with the Purchaser in, and make available to the Purchaser in a timely fashion all information reasonably required for, the preparation of those Tax Returns. The Purchaser shall give the Vendors an opportunity to review and comment on those Tax Returns, by providing copies of them to the Vendors at least 30 days (or 10 days in the case of GST/HST, provincial sales tax, payroll and source deduction Taxes) before they are required by Applicable Law to be filed. The Purchaser shall reasonably consider all comments in respect of those Tax Returns received from the Vendors (or their counsel) at least five days prior to the required filing deadline for such Tax Returns. The Purchaser shall, acting reasonably, determine whether such comments are to be incorporated into the final version of the Tax Returns, provided that the Purchaser will cause the Company to claim the maximum capital cost allowance on such Tax Returns.

6.2 Books and Records Relating to Taxes. Within 10 Business Days after the Closing Date, the Vendors shall deliver to the Purchaser copies of all documents relating to the Taxes of the Company in respect of the Pre-Closing Periods and all working papers, correspondence and other documents prepared after the Closing Date which relate to Taxes for all Pre-Closing Periods.

6.3 Notification Requirements. The Purchaser shall promptly forward to the Vendors all written notifications and other written communications from any Governmental Authority received by the Purchaser or the Company relating to Taxes of the Company for all Pre-Closing Periods, and shall promptly inform the Vendors of any audit proposed to be undertaken and any adjustment proposed in writing to be made by any Governmental Authority in respect of a Pre-Closing Period. Notwithstanding the obligation of the Purchaser to give prompt notice as required above, the failure of the Purchaser to give that prompt notice does not relieve the Vendors of its obligations under this Article 6 except to the extent (if any) that the Vendors have been prejudiced thereby.

6.4 Vendors' Indemnification. From and after the Closing Date, the Vendors shall jointly and severally indemnify and save harmless the Purchaser and shall pay to the Purchaser on demand, the amount of any and all Losses attributable to any inaccuracy in, or breach of, a representation and warranty made in Sections 5.3(29) and 5.3(34) (insofar as Section 5.3(34) relates to Tax matters) and for all Taxes payable by the Company for all Pre-Closing Periods except to the extent to which those Taxes have been provided for in Closing Balance Sheet. For the purposes of this Section, "Losses" include Losses suffered or incurred by the Company.

6.5 Allocation of Taxes for Straddle Periods. All Taxes and Tax liabilities with respect to the Company that relate to a Straddle Period shall be apportioned between the Pre-Closing Tax Period and the Post-Closing Tax Period on the basis that the Straddle Period consisted of two taxable periods, one that ended at the close of business on the day immediately before the Closing Date and the other that began on the Closing Date, and such Taxes shall be allocated between such two periods in the following manner: (a) in the case of Taxes imposed on a periodic basis (such as real or personal property Taxes), the amount of Tax allocable to a portion of the Straddle Period shall be the total amount of such Tax for the entire Straddle Period multiplied by a fraction, the numerator of which is the number of days in such portion of such Straddle Period and the denominator of which is the total number of days in such Straddle Period, and (b) in the case of any other Taxes (such as Taxes based upon or measured by net income or gain, activities, events, transfers or supplies), the amount of such Tax that is allocable to the portion of such Straddle Period that ends on the day immediately before the Closing Date shall be deemed to be equal to the amount that would be payable if the relevant Straddle Period had ended at the close of business on the day immediately before the Closing Date.

6.6 Restriction. The Purchaser will not request, or cause or allow the Company to request, any audits by any Governmental Authority of any Tax Return or matter of, or affecting, the Company in respect of any Pre-Closing Periods, and it will not cause or allow the Company to originate the recalculation or re-filing of any such Tax Return or file any waivers for any Pre-Closing Period of the Company, unless this recalculation or re-filing is required by Law, or prior to requesting this recalculation or re-filing, the Purchaser executes a waiver of any right to indemnification against each Vendor in respect of any Losses that may arises therefrom.

6.7 Purchaser's Contest Rights. Subject to Section 6.8, the Purchaser shall have the sole right to control, defend, settle, compromise, or prosecute in any manner an audit, examination, investigation, and other proceeding with respect to any Tax Return of the Company. The Purchaser shall keep the Vendors duly informed of any proceedings in connection with any matter for which the Purchaser may have a right to indemnification pursuant to this Article 6 and promptly provide the Vendors with copies of all correspondence and documents relating to those proceedings. The Vendors shall execute or cause to be executed such documents and shall take such action as reasonably requested by the Purchaser to enable the Purchaser to take any action the Purchaser deems appropriate with respect to any proceedings in respect of which the Purchaser has contest rights under this Agreement.

6.8 Vendors' Contest Rights.

(1) The Vendors may at any time by written notice to the Purchaser elect to control, defend, settle, compromise or prosecute in any manner an audit, examination, investigation, or other proceeding with respect to Taxes or Tax issues related to any matter in respect of which the Purchaser may have a right of indemnification pursuant to this Article 6, except that:

(a) the Vendors shall deliver to the Purchaser a written agreement that the Purchaser is entitled to indemnification for all Losses arising out of that audit, examination or other proceeding and that the Vendors shall be liable for the entire amount of those Losses;

(b) the Vendors may not, without the written consent of the Purchaser, settle or compromise Taxes or Tax issues related to any matter which may affect Tax liabilities of the Purchaser or the Company for a Post-Closing Period; and

(c) the Vendors shall pay to the Purchaser the amount of all Taxes (including, for greater certainty, interest and penalties) specified in the notice of assessment or other claim from the Governmental Authority to which the Purchaser's indemnity Claim relates within 10 Business Days before the amount is required to be paid to the Governmental Authority or within 10 Business Days after the Purchaser has forwarded to the Vendors a Claim for indemnity.

(2) If the Vendors elect to control, defend, settle, compromise or prosecute any audit, examination, investigation, or other proceeding pursuant to Section 6.8(1), the Vendors shall keep the Purchaser duly informed of any proceedings in connection with any matter which may affect the Taxes payable by the Purchaser or the Company, and the Purchaser shall be promptly provided with copies of all correspondence and documents relating to those proceedings and may, at its option and its own expense, participate in those proceedings through counsel of its choice.

6.9 Indemnification Procedures. Except to the extent expressly provided to the contrary in this Article 6, the general procedures regarding notice and pursuit of indemnification Claims set forth in Article 7 apply to all Claims for indemnification made under this Article 6, except that notwithstanding any provision of Article 7 to the contrary, if a Claim for indemnification involves any matter covered in this Article 6, then the contest provisions of Sections 6.7 and 6.8, as applicable, control regarding the defence and handling of any such Third Party Claim that could give rise to an indemnification obligation on the part of the Vendors. Except as provided in Section 5.5(b), there is no limit on the time period during which a Claim for indemnification may be made under this Article 6.

6.10 Concurrence. If by virtue of the payment (or deemed payment) of any dividend prior to Closing or the designation of any part thereof as "capital dividends" or "eligible dividends" for purposes of the Tax Act, the Company becomes liable for Taxes imposed pursuant to Part III or Part III.1 of the Tax Act, the Purchaser shall promptly notify the Vendors of receiving the applicable notice of assessment or reassessment from the Canada Revenue Agency. If the Seller has received (or is deemed to have received) such dividends, it shall, forthwith upon the written request of the Purchaser, take all steps and do all things required to make, in the prescribed manner and time, the elections provided for under subsection 184(3) or subsection 185.1(2) of the Tax Act in respect of any excessive capital dividend or any excessive eligible dividend designation so as to eliminate or reduce to the maximum extent permitted by the Tax Act any Taxes otherwise payable by the Company pursuant to Part III and Part III.1 of the Tax Act, and the Vendors hereby concur with the making of such elections.

6.11 Tax Elections. In respect of the Consideration Shares issued to a particular Vendor (the "**Electing Vendor**"), the Purchaser and the Electing Vendor shall, upon request by the Electing Vendor, complete and file a joint election under section 85 of the Tax Act at the amount specified ("**Elected Amount**") by the Electing Vendor (which amount shall not be less than the amount by which the Purchase Price payable to the Electing Vendor exceeds the fair market value of the Consideration Shares issued to the Electing Vendor), subject to the limitations set forth in the Tax Act. The Electing Vendor must provide two signed copies of the necessary joint election forms to the Purchaser duly completed (including the applicable Elected Amount and details of the Purchased Shares). The Purchaser shall, within 30 days after receiving the completed joint election forms from an Electing Vendor, sign and return such forms to such Electing Vendor. Neither the Purchaser nor any successor corporation shall be responsible for the proper completion and filing of any joint election form or for any taxes, interest or penalties arising as a result of the failure of an Electing Vendor to properly or timely complete and file such joint election forms in the form and manner prescribed by the Tax Act.

ARTICLE 7
INDEMNIFICATION

7.1 Individual Indemnification by the Vendors. Subject to this Article 7 and Section 5.5, the Vendors shall severally, and not jointly and severally, indemnify and save harmless the Purchaser Indemnitees from any and all Losses suffered or incurred by a Purchaser Indemnitee as a result of or arising directly or indirectly out of or in connection with:

(1) any inaccuracy of or any breach by that Vendor of any representation or warranty as to itself (and not as to any other Vendors) contained in Section 5.1; and

(2) any failure of that Vendor to transfer good and valid title to that Vendor's Shares to the Purchaser, free and clear of all Encumbrances, other than those restrictions on transfer, if any, contained in the Constating Documents of the Company.

7.2 Indemnification by the Vendors. In addition to Section 7.1 and subject to this Article 7 and Section 5.5, the Vendors shall jointly and severally indemnify and save harmless the Purchaser Indemnitees from any and all Losses suffered or incurred by all Purchaser Indemnitees as a result of or arising directly or indirectly out of or in connection with:

(1) any inaccuracy of or any breach by any of the Vendors of, any representation or warranty of the Vendors contained in Section 5.3, or in any instrument, certificate or other document delivered pursuant to this Agreement, other than the representations and warranties referred to in Section 7.1;

(2) any breach or non-performance by any of the Vendors of any covenant or other obligation to be performed by it that is contained in this Agreement or in any instrument, certificate or other document delivered pursuant to this Agreement; and

(3) any breach by the Company of, default by the Company under, or failure by the Company to comply with any Environmental Law, Environmental Permit or the Operational Certificate, including any remediation, reclamation or other obligation of the Company regarding the environmental impact of the conduct of the Business by the Company prior to the Closing Date, except to the extent such breach, default or failure to comply constitutes Operational Certificate and Environmental Non-Compliance.

7.3 Indemnification by Heppells. In addition to Section 7.1 and Section 7.2, and subject to this Article 7 and Section 5.5, Heppells shall indemnify and save harmless the Purchaser Indemnitees from any and all Losses suffered or incurred by all Purchaser Indemnitees as a result of or arising directly or indirectly out of or in connection with any inaccuracy of or any breach by Heppells of, any representation or warranty of Heppells contained in Section 5.2.

7.4 Indemnification by the Purchaser. Subject to this Article 7, the Purchaser shall indemnify and save harmless the Vendor Indemnitees from any and all Losses suffered or incurred by any Vendor Indemnitee as a result of or arising directly or indirectly out of or in connection with:

(1) any inaccuracy of or any breach by the Purchaser of, any representation or warranty of the Purchaser contained in this Agreement or in any instrument, certificate or other document delivered pursuant to this Agreement; and

(2) any breach or non-performance by the Purchaser of any covenant or other obligation to be performed by it that is contained in this Agreement or in any instrument, certificate or other document delivered pursuant to this Agreement.

7.5 Obligation to Reimburse. The Party providing indemnification under this Agreement (the "**Indemnifying Party**") shall reimburse to the Person being indemnified under this Agreement (the "**Indemnified Party**") the amount of any Losses suffered or incurred by the Indemnified Party, as of the date that the Indemnified Party incurs any such Losses, that payment being made without prejudice to the Indemnifying Party's right to contest the basis of the Indemnified Party's Claim for indemnification.

7.6 Notice of Claim.

(2) Promptly on becoming aware of any circumstances which have given or could give rise to a Claim of indemnification under this Article 7, the Indemnified Party shall notify the Purchaser, if the Indemnified Party is a Vendor Indemnitee, or the Vendors, if the Indemnified Party is a Purchaser Indemnitee, of those circumstances. That notice shall specify whether the Losses arise as a result of a Claim by a third party against the Indemnified Party (a "**Third Party Claim**") or whether the Losses do not so arise (a "**Direct**

Claim"), and shall also specify with reasonable particularity (to the extent the information is available) the factual basis for the Claim and the amount of the Losses, if known.

(3) If through the fault of the Indemnified Party, the Indemnifying Party does not receive notice of any Claim in time to contest effectively the determination of any liability susceptible of being contested, the Indemnifying Party shall be entitled to set off against the amount claimed by the Indemnified Party the amount of any Losses incurred by the Indemnifying Party resulting from the Indemnified Party's failure to give that notice on a timely basis.

7.7 Direct Claims. With respect to any Direct Claim, following receipt of notice from the Indemnified Party of the Direct Claim, the Indemnifying Party shall have 30 calendar days to make such investigation of the Direct Claim as is considered necessary or desirable. For the purpose of that investigation, the Indemnified Party shall make available to the Indemnifying Party the information relied on by the Indemnified Party to substantiate the Direct Claim, together with such information as the Indemnifying Party may reasonably request. If the Indemnified Party and the Indemnifying Party agree at or prior to the expiry of this 30 calendar day period (or agree to any extension of this period) to the validity and amount of that Direct Claim, the Indemnifying Party shall immediately pay to the Indemnified Party the full amount as agreed of the Direct Claim.

7.8 Third Party Claims.

(1) The Indemnifying Party has the right, by notice to the Purchaser, if the Indemnified Party is a Purchaser Indemnitee, or the Vendors, if the Indemnified Party is a Vendor Indemnitee given not later than 30 days after receipt of the Indemnification Notice, to assume control of the defence, compromise or settlement of the Third Party Claim provided that:

(a) the Third Party Claim involves only money damages and does not seek any injunctive or other equitable relief;

(b) the amount of Damages claimed do not exceed the maximum amount recoverable from the Indemnifying Party pursuant to Section 7.10;

(c) if the named parties in any Third Party Claim include both the Indemnified Party and the Indemnifying Party, representation by the same counsel would, in the judgment of the Indemnitee, still be appropriate notwithstanding any actual or potential differing interests between them (including the availability of different defences);

(d) settlement of, or an adverse judgment with respect to, the Third Party Claim is not, in the judgment of the Indemnified Party, likely to establish a precedent, custom or practice adverse to the continuing business interest of the Indemnified Party; and

(e) the Indemnifying Party, from time to time, at the request of the Indemnified Party, provides reasonable assurance to the Indemnified Party of its financial capacity to defend that Third Party Claim and to provide indemnification in respect thereof.

(2) On the assumption of control by the Indemnifying Party, it is established for purposes of this Agreement that the Third Party Claim is within the scope of, and is subject to, indemnification pursuant to this Article 7, and:

(a) the Indemnifying Party will actively and diligently proceed with the defence, compromise or settlement of the Third Party Claim at the Indemnifying Party's sole cost and expense, including the retaining of counsel reasonably satisfactory to the Indemnified Party;

(b) the Indemnifying Party will keep the Indemnified Party fully advised with respect to the defence, compromise or settlement of the Third Party Claim (including supplying copies of all relevant documents promptly as they become available) and will arrange for its counsel to inform the Indemnified Party on a regular basis of the status of the Third Party Claim;

(c) the Indemnified Party may retain separate co-counsel at its sole cost and expense and participate in the defence of the Third Party Claim (provided the Indemnifying Party shall continue to control that defence); and

(d) the Indemnifying Party will not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim unless consented to by the Indemnified Party (which consent may not be unreasonably or arbitrarily withheld, delayed or conditioned).

(3) Provided all the conditions set forth in Section 7.8(1) are satisfied and the Indemnifying Party is not in breach of any of its obligations under Section 7.8(2), the Indemnified Party will, at the expense of the Indemnifying Party, co-operate with the Indemnifying Party and use its commercially reasonable efforts to make available to the Indemnifying Party all relevant information in its possession or under its control and will take such other steps as are, in the reasonable opinion of counsel for the Indemnifying Party, necessary to enable the Indemnifying Party to conduct that defence, provided always that (a) no admission of fault may be made by or on behalf of the Purchaser or any Purchaser Indemnitee without the prior written consent of the Purchaser, (b) no admission of fault may be made by or on behalf of either Vendor or any Vendor Indemnitee without the prior written consent of the Vendors, and (c) the Indemnified Party is not obligated to take any measures which, in the reasonable opinion of the Indemnitee's legal counsel, could be prejudicial or unfavourable to the Indemnitee.

(4) If (a) the Indemnifying Party does not give the Indemnified Party the notice provided in Section 7.8(1), (b) any of the conditions in Section 7.8(1) are unsatisfied, or (c) the Indemnifying Party breaches any of its obligations under Sections 7.8(2) or 7.8(3), the Indemnified Party may assume control of the defence, compromise or settlement of the Third Party Claim as in its sole discretion may appear advisable, and is entitled to retain counsel as in its sole discretion may appear advisable, the whole at the Indemnifying Party's sole cost and expense. Any settlement or other final determination of the Third Party Claim will be binding on the Indemnifying Party. The Indemnifying Party will, at its sole cost and expense, cooperate fully with the Indemnified Party and use its commercially reasonable efforts to make available to the Indemnified Party all relevant information in its possession or under its control and take such other steps as are, in the reasonable opinion of counsel for the Indemnified Party, necessary to enable the Indemnified Party to conduct the defence. The Indemnifying Party will reimburse the Indemnified Party promptly and periodically for the costs of defending against the Third Party Claim (including legal fees and expenses), and will remain responsible for any Losses the Indemnified Party may suffer resulting from, arising out of or relating to the Third Party Claim to the fullest extent provided in this Article 7.

7.9 Gross-up.

If an Indemnified Party is subject to Tax in respect of the receipt of an amount pursuant this Article 7, after taking into account any offsetting deduction or tax credit available in respect of the applicable Losses, then the amount payable by the Indemnifying Party shall be increased by an amount (the "**Increased Amount**") such that the Indemnified Party shall be in the same position after paying Tax on the amount received hereunder, including any Taxes payable on the Increased Amount, as the Indemnified Party would have been in had the Losses giving rise to such payment not arisen and had such amount not been payable.

7.10 Insurance.

(a) An Indemnified Party will use reasonable commercial efforts, consistent with past practices, to recover Losses from its insurance carriers, if applicable, provided that such efforts may take place before and/or after recovery of a Claim hereunder and the obligation to use reasonable commercial efforts consistent with past practices shall not delay or affect entitlement to indemnification hereunder.

(b) If the amount of any Losses at any time subsequent to the making of an indemnity payment pursuant to this Article 7 is reduced by the actual recovery of insurance proceeds by an Indemnified Party, the amount of such reduction (less any costs, expenses (including taxes), deductibles and increased premiums incurred in connection therewith) shall promptly be repaid by the Indemnified Party to the Indemnifying Party.

7.11 Limitations on Indemnification.

(1) Subject to Section 7.11(5), the obligation of the Vendors to indemnify the Purchaser and the Purchaser Indemnitees pursuant to Sections 7.1(1) and 7.2(1), and the Purchaser's obligation to indemnify the Vendors and the Vendor Indemnitees pursuant to Section 7.4 are applicable only if the aggregate of all those Losses suffered or incurred by the Purchaser and the Purchaser Indemnitees, on the one hand, or by the Vendors and the Vendor Indemnitees, on the other hand, as applicable, is in excess of $78,500. Subject to Section 7.11(3), if the aggregate of all those Losses incurred by the Purchaser and the Purchaser Indemnitees exceeds that amount, the Vendors shall be obliged to indemnify the Purchaser and the Purchaser Indemnitees for all of those Losses, including the Losses up to and including that amount. Subject to Section 7.11(6) and 7.11(7), if the aggregate of all those Losses suffered or incurred by the Vendors and the Vendor Indemnitees exceeds that amount, the Purchaser shall be obliged to indemnify the Vendors and the Vendor Indemnitees for all of those Losses, including the Losses up to and including that amount.

(2) Subject to Section 7.11(5), the obligation of Heppells to indemnify the Purchaser and the Purchaser Indemnitees pursuant to Section 7.3 is applicable only if the aggregate of all those Losses suffered or incurred by the Purchaser and the Purchaser Indemnitees is in excess of $36,500. Subject to Section 7.11(4), if the aggregate of all those Losses incurred by the Purchaser and the Purchaser Indemnitees exceeds that amount, Heppells shall be obliged to indemnify the Purchaser and the Purchaser Indemnitees for all of those Losses, including the Losses up to and including that amount.

(3) The aggregate amount of all Losses for which the Vendors shall be liable:

(a) under Section 7.1(1), and 7.2(1) (other than for breach of a Vendor Fundamental Representation) shall not exceed 30% of the Share Purchase Price;

(b) under Section 7.2(3) shall not exceed 50% of the Share Purchase Price; and

(c) under Section 7.1(2) and 7.2(2) or for a breach of a Vendor Fundamental Representation, shall not exceed the Share Purchase Price.

(4) Heppells shall have no obligation to make any payment for Losses for indemnification otherwise with respect to the matters described in Section 7.3:

(a) in excess of the Land Purchase Price, for Losses arising from a breach of a representation or warranty contained in Section 5.2(1); or

(b) 50% of the Land Purchase Price, for Losses arising from a breach of a representation or warranty contained in Section 5.2(2).

For the avoidance of doubt, Pela shall have no liability whatsoever pursuant to Section 7.3.

(5) Section 7.11(1) and Section 7.11(2) will not apply to, and the Vendors or Heppells, as applicable, shall be liable for all Losses with respect to (a) any Claim involving fraud or intentional misrepresentation, (b) subject to Section 7.11(3) or Section 7.11(4), as applicable, any Claim for breach or inaccuracy of any of the Vendor Fundamental Representations or Heppells Fundamental Representations, and (c) the indemnifications by the Vendors in favour of the Purchaser contained in Section 6.4.

(6) The aggregate amount of all Losses for which the Purchaser shall be liable:

(a) under Section 7.4(1) (other than for breach of a Purchaser Fundamental Representation) shall not exceed 30% of the Purchase Price; and

(b) under Section 7.4(2), or for a breach of a Purchaser Fundamental Representation, shall not exceed the Purchase Price.

(7) Section 7.11(1) will not apply to, and the Purchaser shall be liable for all Losses with respect to (a) any Claim involving fraud or intentional misrepresentation, and (b) subject to Section 7.11(6), any Claim for breach or inaccuracy of any of the Purchaser Fundamental Representations.

(8) Notwithstanding anything to the contrary in this Agreement, neither Vendor shall be liable under this Agreement for any Losses suffered, sustained, paid or incurred by the Purchaser Indemnitees or the Company after Closing:

(a) that result from any Operational Certificate and Environmental Non-Compliance by the Company prior to Closing; or

(b) in the nature of consequential, indirect, punitive, or exemplary damages, in each case, other than to the extent actually paid to a third party.

(9) The waiver of any condition based upon the accuracy of any representation and warranty or the performance of any covenant shall not affect the right to indemnification, reimbursement or other remedy based upon such representation, warranty or covenant.

7.12 Trust and Agency. The Purchaser accepts each indemnity in favour of any of the Purchaser Indemnitees that is not a Party as agent and trustee of that Purchaser Indemnitee and may enforce any such indemnity in favour of that Purchaser Indemnitee on behalf of that Purchaser Indemnitee. Each Vendor accepts each indemnity in favour of any of the Vendor Indemnitees as agent and trustee of that Vendor Indemnitee and may enforce any such indemnity in favour of that Vendor Indemnitee on behalf of that Vendor Indemnitee.

7.13 Exclusive Remedy. Unless otherwise provided in this Agreement or any contract, agreement, instrument, certificate or other document delivered pursuant to this Agreement, from and after the Closing, the provisions of this Article 7 constitute the sole remedy available to either Vendor and the Purchaser to any Claim for breach of covenants, representation, warranty or other obligation or provision of this Agreement or any contract, agreement, instrument, certificate or other document delivered pursuant to this Agreement (other than a Claim for specific performance or injunctive relief) and to any and all other indemnities provided in this Agreement or in any contract, agreement, instrument, certificate or other document delivered pursuant to this Agreement. For certainty, the rights of indemnity set forth in this Article 7 are the sole and exclusive remedy of the Purchaser and the Vendors, in law or equity, in contract, tort, or under any other theory of Applicable Law or otherwise howsoever, for any non-performance, non-fulfilment, misrepresentation, inaccuracy, or incorrectness of any representation, warranty, or covenant, or any document, assurance, or certificate given in connection with this Agreement.

ARTICLE 8
GENERAL

8.1 Confidentiality of Information.

(1) For the purposes of this Section 8.1, "**Confidential Information**" of a Party at any time means all information relating to that Party which at the time is of a confidential nature (whether or not specifically identified as confidential), is known or should be known by the other relevant Party or its Representatives as being confidential, and has been or is from time to time made known to or is otherwise learned by the relevant other Party or any of its Representatives as a result of the matters provided for in this Agreement, and includes:

(a) the existence and the terms of this Agreement and of any other contract, agreement, instrument, certificate or other document to be entered into as contemplated by this Agreement;

(b) a Party's business records; and

(c) all Books and Records and all other information and documentation with respect to the Company, the Business and the Company's assets provided by the Vendors and the Company to the Purchaser and its Representatives, including all notes, analyses, compilations, studies, summaries and other material prepared by the Purchaser and its Representatives as a result of the Books and Records, information or documentation.

Notwithstanding the foregoing, Confidential Information does not include any information that at the time has become generally available to the public other than as a result of a disclosure by the other Party or any of its Representatives, any information that was available to the other Party or its Representatives on a non-confidential basis before the date of this Agreement or any information that becomes available to the other Party or its Representatives on a non-confidential basis from a Person (other than the Party to which the information relates or any of its Representatives) who is not, to the knowledge of the other Party or its Representatives, otherwise bound by confidentiality obligations to the Party to which the information relates in respect of the information or otherwise prohibited from transmitting the information to the other Party or its Representatives.

(2) Each Party shall (and shall cause each of its Representatives to) hold in strictest confidence and not use in any manner, other than as expressly contemplated by this Agreement, all Confidential Information of the other Parties.

(3) Subject to Section 8.2, Section 8.1(2) shall not apply to the disclosure of any Confidential Information where that disclosure is required by Applicable Law. In that case, the Party required to disclose (or whose Representative is required to disclose) shall, as soon as possible in the circumstances, notify the other Parties of the requirement of the disclosure. On receiving the notification, the other Parties may take any reasonable action to challenge the requirement, and the affected Party shall (or shall cause the applicable Representative to), at the expense of the other Parties, assist the other Parties in taking that reasonable action.

8.2 Public Announcements. No Party shall make any public statement or issue any press release concerning the Transactions except as agreed by the Parties acting reasonably or as may be necessary, in the opinion of counsel to the Party making that disclosure, to comply with the requirements of all Applicable Law. If any public statement or release is so required, the Party making the disclosure shall consult with the other Parties before making that statement or release, and the Parties shall use all reasonable efforts, acting in good faith, to agree on a text for the statement or release that is satisfactory to the Parties.

8.3 Disclosure and Consultation.

(1) Before any public statement or press release concerning the Transactions, no Party shall disclose this Agreement or any aspect of the Transactions except to its board of directors, its senior management, its shareholders, its legal, accounting, financial or other professional advisors, any financial institution contacted by it with respect to any financing required in connection with the Transactions and counsel to that institution, or as may be required by any Applicable Law or as agreed by the Parties.

(2) The Vendors and the Purchaser shall consult with each other concerning the manner by which the Employees, customers, suppliers and other Persons having dealings with the Company shall be informed of the Transactions, and the Purchaser shall have the right to be present for any such communication.

8.4 Expenses. Each Party shall pay all expenses (including Taxes imposed on those expenses) it incurs in the authorization, negotiation, preparation, execution and performance of this Agreement and the Transactions, including all fees and expenses of its legal counsel, bankers, investment bankers, brokers, accountants or other representatives or consultants.

8.5 No Third Party Beneficiary. Except as provided for in Section 7.12, this Agreement is solely for the benefit of the Parties and no third party accrues any benefit, claim or right of any kind pursuant to, under, by or through this Agreement.

8.6 Entire Agreement. This Agreement together with the other agreements to be entered into as contemplated by this Agreement (the "**Other Agreements**") constitute the entire agreement between the Parties pertaining to the subject matter of this Agreement and the Other Agreements and supersede all prior correspondence, agreements, negotiations, discussions and understandings, written or oral.

8.7 Non-Merger. Except as otherwise provided in this Agreement, the covenants, representations and warranties set out in this Agreement do not merge but survive Closing and, notwithstanding such Closing or any investigation by or on behalf of a Party, continue in full force and effect. Closing does not prejudice any right of one Party against another Party in respect of any remedy in connection with anything done or omitted to be done under this Agreement.

8.8 Time of Essence. Time is of the essence of this Agreement.

8.9 Amendment. This Agreement may be supplemented, amended, restated or replaced only by written agreement signed by each Party.

8.10 Waiver of Rights. Any waiver of, or consent to depart from, the requirements of any provision of this Agreement is effective only if it is in writing and signed by the Party giving it, and only in the specific instance and for the specific purpose for which it has been given. No failure on the part of any Party to exercise, and no delay in exercising, any right under this Agreement operates as a waiver of that right. No single or partial exercise of any such right precludes any other or further exercise of that right or the exercise of any other right.

8.11 Jurisdiction. The Parties irrevocably and unconditionally attorn to the exclusive jurisdiction of the courts of the Province of British Columbia sitting in Vancouver in respect of all disputes arising out of, or in connection with, this Agreement, or in respect of any legal relationship associated with it or derived from it.

8.12 Governing Law. This Agreement is governed by, and interpreted and enforced in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable in that province, excluding the choice of law rules of that province.

8.13 Notices.

(1) Any notice, demand or other communication (in this Section 8.13, a "**notice**") required or permitted to be given or made under this Agreement must be in writing and is sufficiently given or made if:

(a) delivered in person and left with a receptionist or other responsible employee of the relevant Party at the applicable address set forth below;

(b) sent by prepaid courier service or (except in the case of actual or apprehended disruption of postal service) mail; or

(c) sent by email (a "**Transmission**");

in the case of a notice to either Vendor, addressed to it at, as applicable:

[Redacted – personal information]

Attention: **[Redacted – personal information]**
Email.: **[Redacted – personal information]**

[Redacted – personal information]

Attention: **[Redacted – personal information]**
Email: **[Redacted – personal information]**

with a copy (not constituting notice) to:

Clark Wilson LLP
900 – 885 West Georgia Street
Vancouver, BC V6C 3H1

Attention: Aaron Singer
Email: Asinger@cwilson.com

and in the case of a notice to the Purchaser, addressed to it at:

EverGen Infrastructure Corp.
1111 W Hastings St Suite 600,
Vancouver, BC V6E 2J3

Attention: Chase Edgelow
Email: chase@evergeninfra.com

with a copy (not constituting notice) to:

Borden Ladner Gervais LLP
1200 Waterfront Centre
200 Burrard Street
Vancouver, BC V7X 1T2

Attention: Andrew Hennigar
Email: ahennigar@blg.com

(2) Any notice sent in accordance with this Section 8.13 is deemed to have been received (a) if delivered prior to or during normal business hours on a Business Day in the place where the notice is received, on the date of delivery, (b) if sent by mail, on the fifth Business Day after mailing in the place where the notice is received, or, in the case of disruption of postal service, on the fifth Business Day after cessation of that disruption, (c) if sent by email during normal business hours on a Business Day in the place where the Transmission is received, on the same day that it was sent by Transmission, or (d) if sent in any other manner, on the date of actual receipt; except that any notice delivered in person or sent by Transmission not on a Business Day or after normal business hours on a Business Day, in each case in the place where the notice is received, is deemed to have been received on the next succeeding Business Day in the place where the notice is received.

(3) Any Party may change its address for notice by giving notice to the other Parties.

8.14 Assignment. No Party may assign or transfer, whether absolutely, by way of security or otherwise, all or any part of its rights or obligations under this Agreement to any Person, except that the Purchaser may direct that title to the Purchased Real Property is registered in the name of a nominee or an affiliate of the Purchaser.

8.15 Further Assurances. Each Party shall promptly do, execute, deliver or cause to be done, executed or delivered all further acts, documents and matters in connection with this Agreement that any other Party may reasonably require, for the purposes of giving effect to this Agreement.

8.16 Severability. If, in any jurisdiction, any provision of this Agreement or its application to any Party or circumstance is restricted, prohibited or unenforceable, that provision will, as to that jurisdiction, be ineffective only to the extent of that restriction, prohibition or unenforceability without invalidating the remaining provisions of this Agreement, without affecting the validity or enforceability of that provision in any other jurisdiction and, if applicable, without affecting its application to the other Parties or circumstances. The Parties shall engage in good faith negotiations to replace any provision which is so restricted, prohibited or unenforceable with an unrestricted and enforceable provision, the economic effect of which comes as close as possible to that of the restricted, prohibited or unenforceable provision which it replaces.

8.17 Successors. This Agreement is binding on, and enures to the benefit of, the Parties and their respective successors.

8.18 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together constitute one agreement. Delivery of an executed counterpart of this Agreement by facsimile or transmitted electronically in legible form, including in a tagged image format file (TIFF) or portable document format (PDF), shall be equally effective as delivery of a manually executed counterpart of this Agreement.

[signature page follows]

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date first above written.

HEPPELL'S POTATO CORP.

By: *"Wesley Heppell"*
Name: Wesley Vernon Heppell
Title: Director

PELA HOLDINGS LTD.

By: *"Peter Schouten"*
Name: Peter William Schouten
Title: Director

EVERGEN INFRASTRUCTURE CORP.

By: *"Mischa Zajtmann"*
Name: Mischa Zajtmann
Title: President