
PURCHASE AND SALE AGREEMENT

By and Among

HALO LABS INC.

-and-

LOUISA MALIAKO MOJELA and MOIRA GRANNY SEAPE

-and-

BOIKETLO BIOMED (PTY) LTD. and GMG FINANCIAL SERVICES LTD.

-and-

1942 CAPITAL PARTNERS (PTY) LTD. and SEEDY LETTE

Dated November 27, 2019

TABLE OF CONTENTS

ARTICLE 1 INTERPRETATION

1.1	Definitions	2
1.2	Certain Rules of Interpretation	12

ARTICLE 2 PURCHASE AND SALE OF ACQUIRED INTERESTS

2.1	Purchase and Sale	13
2.2	Amount of Purchase Consideration	14
2.3	Payment of Purchase Consideration	14
2.4	Escrow Arrangements	14
2.5	Halo Arrangement Fee Shares	15
2.6	Lock-up	15

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1	Representations and Warranties of Boiketlo in respect of the Corporation	16
3.1.1	Incorporation, Qualification and Residency of the Corporation	16
3.1.2	No Solvency or Reorganization Proceedings	16
3.1.3	Validity of Agreement	16
3.1.4	Authorized and Issued Capital	16
3.1.5	No Other Agreements or Options	17
3.1.6	No Conflicts	17
3.1.7	Required Regulatory Approvals	17
3.1.8	Required Consents	17
3.1.9	Corporate Records	18
3.1.10	Dividends and Distributions	18
3.1.11	Business Carried on in Ordinary Course	18
3.1.12	Compliance with Applicable Laws	19
3.1.13	Required Licenses	19
3.1.14	Books and Records	20
3.1.15	Financial Statements	20
3.1.16	Non-Arm's Length Transactions	20
3.1.17	No Liabilities	20
3.1.18	Debt Instruments	21
3.1.19	Government Assistance	21
3.1.20	Guarantees	21
3.1.21	Banking Information and Powers of Attorney	21
3.1.22	Title to the Assets	21
3.1.23	Sufficiency and Condition of Assets	22
3.1.24	Leases and Leased Property	22
3.1.25	Real Property	22
3.1.26	Equipment Leases	23
3.1.27	Material Contracts	23
3.1.28	Accounts Receivable	24
3.1.29	Intellectual and Industrial Property	24
3.1.30	Employees	24
3.1.31	Employee Benefit Plans	25
3.1.32	Environmental Matters	26
3.1.33	Legal Proceedings	26
3.1.34	Tax Matters	27
3.1.35	Compliance with Trade Laws	28
3.2	Representations and Warranties of GMG in respect of Middleton	28
3.2.1	Incorporation, Qualification and Residency of Middleton	28

3.2.2	No Solvency or Reorganization Proceedings	28
3.2.3	Validity of Agreement.....	28
3.2.4	Authorized and Issued Capital	29
3.2.5	No Other Agreements or Options	29
3.2.6	No Conflicts.....	29
3.2.7	Required Regulatory Approvals	29
3.2.8	Required Consents	29
3.2.9	No Liabilities.....	30
3.2.10	Debt Instruments.....	30
3.2.11	No Broker	30
3.3	Representations and Warranties of the Seller Group.....	30
3.3.1	Incorporation and Qualification of the Seller Group.....	30
3.3.2	No Solvency or Reorganization Proceedings	30
3.3.3	Authorization of Agreement and Sale	31
3.3.4	Validity of Agreement.....	31
3.3.5	Title to Purchased Shares.....	31
3.3.6	No Other Agreements or Options	31
3.3.7	No Conflicts.....	31
3.3.8	Existing Indebtedness	32
3.3.9	Legal Proceedings	32
3.3.10	No Broker	32
3.4	Representations and Warranties of the Purchaser.....	32
3.4.1	Incorporation and Qualification of the Purchaser.....	32
3.4.2	No Solvency or Reorganization Proceedings	33
3.4.3	Authorization of Agreement and Purchase by Purchaser.....	33
3.4.4	Validity of Agreement.....	33
3.4.5	Authorized and Issued Share Capital	33
3.4.6	No Conflicts.....	33
3.4.7	Required Regulatory Approvals	34
3.4.8	Required Consents	34
3.4.9	Financial Statements.....	34
3.4.10	Undisclosed Liabilities.....	34
3.4.11	Public Filings	35
3.4.12	Compliance with Applicable Laws.....	35
3.4.13	Stock Exchange Compliance	35
3.4.14	Reporting Issuer Status.....	35
3.4.15	Halo Shares	35
3.4.16	Securities Law Matters.....	36
3.4.17	Legal Proceedings	36
3.4.18	No Broker	36

ARTICLE 4 COVENANTS OF THE PARTIES

4.1	Interim Period Covenants of the Seller Group and the Boiketlo Principals	36
4.1.1	Consents and Regulatory Approvals	37
4.1.2	Conduct of the Corporation	37
4.1.3	Conduct of Middleton	38
4.1.4	Tax Matters	38
4.1.5	Insurance Coverage.....	39
4.1.6	Actions to Satisfy Closing Conditions	39
4.1.7	Notice of Untrue Representation and Warranty.....	39
4.2	Interim Period Covenants of the Purchaser	39
4.2.1	Actions to Satisfy Closing Conditions	40
4.2.2	Notice of Untrue Representation and Warranty.....	40
4.2.3	Consents and Regulatory Approvals	40
4.2.4	Stock Exchange Listing.....	40

4.2.5	Conduct of the Purchaser	40
4.3	Additional Covenants of the Parties	41
4.3.1	Confidentiality.....	41
4.3.2	Ancillary Agreements	41
4.3.3	Cooperation.....	42
4.4	Post-Closing Covenants of the Parties	42
4.4.1	Restraint of Trade	42
4.4.2	Post-Closing Acquisition of Middleton Bridge Loan	42
4.4.3	Post-Closing Appointment of Mojela.....	42
4.4.4	Post-Closing Filings	42
4.4.5	Securities Law Matters.....	42

ARTICLE 5 CONDITIONS OF CLOSING

5.1	Conditions for the Benefit of the Purchaser	43
5.1.1	Representations, Warranties and Covenants of the Seller Group.....	43
5.1.2	Deliveries of the Seller Group and the Boiketlo Principals	43
5.1.3	Indebtedness.....	44
5.1.4	No Convertible Securities.....	44
5.1.5	No Material Adverse Change or Effect	44
5.1.6	Consents and Regulatory Approvals	45
5.1.7	No Legal Proceedings.....	45
5.2	Conditions for the Benefit of the Seller Group and the 3 rd Party Lenders	45
5.2.1	Representations, Warranties and Covenants of the Purchaser.....	45
5.2.2	Deliveries of the Purchaser.....	46
5.2.3	Consents and Regulatory Approvals	46
5.2.4	No Legal Proceedings.....	46
5.3	Waiver of Conditions	46

ARTICLE 6 CLOSING ARRANGEMENTS

6.1	Date, Place and Time of Closing	47
6.2	Deliveries at the Closing	47

ARTICLE 7 TERMINATION

7.1	Termination Rights	47
7.2	Effect of Exercise of Termination Rights.....	48

ARTICLE 8 SURVIVAL AND INDEMNIFICATION

8.1	Survival of Representations, Warranties and Covenants	48
8.2	Indemnification by Boiketlo in respect of the Corporation.....	48
8.3	Indemnification by GMG in respect of Middleton	49
8.4	Indemnification by each Seller Group Member.....	49
8.5	Indemnification by the Purchaser.....	50
8.6	Thresholds and Limitations	50
8.7	Notice of Claim.....	52
8.8	Defence of Third Party Claims	52
8.9	Assistance for Third Party Claims.....	52
8.10	Settlement of Third Party Claims	53
8.11	Direct Claims.....	53
8.12	Reductions and Subrogation.....	54
8.13	Payment and Interest.....	54
8.14	Exclusive Remedy.....	54

ARTICLE 9 MISCELLANEOUS

9.1 Notices 55
9.2 Public Announcements 56
9.3 Further Assurances 57
9.4 Costs and Expenses 57
9.5 Brokers 57
9.6 Waiver of Rights 57
9.7 Remedies Cumulative 57
9.8 Severability 58
9.9 Assignment 58
9.10 Successors and Assigns 58
9.11 Third Parties 58
9.12 Entire Agreement 58
9.13 Amendment 58
9.14 Governing Law; Attornment 59
9.15 Counterparts and Delivery by Facsimile 59

THIS PURCHASE AND SALE AGREEMENT dated November 27, 2019 (this “**Agreement**”)

AMONG: **LOUISA MALIAKO MOJELA**, an individual resident in South Africa

 (“**Mojela**”);

MOIRA GRANNY SEAPE, an individual resident in South Africa

 (“**Seape**” and together with Mojela, the “**Boiketlo Principals**”);

AND: **BOIKETLO BIOMED (PTY) LTD.**, a corporation incorporated pursuant to the laws of Lesotho

 (“**Boiketlo**”)

AND: **GMG FINANCIAL SERVICES LTD.**, a corporation incorporated pursuant to the laws of the British Virgin Islands

 (“**GMG**”, and together with Boiketlo, the “**Seller Group**”, and each one of them a “**Seller Group Member**”)

AND: **1942 CAPITAL PARTNERS (PTY) LTD.**, a corporation incorporated pursuant to the laws of South Africa

 (“**1942 CP**”)

AND: **SEEDY LETTE**, an individual resident in South Africa

 (“**Seedy**”, and together with 1942 CP, the “**3rd Party Lenders**”)

AND: **HALO LABS INC.**, a corporation incorporated pursuant to the laws of the Province of Ontario

 (the “**Purchaser**”)

RECITALS:

1. As of the date of this Agreement, Boiketlo (an entity owned 85% by the Boiketlo Principals) owns 100,000 shares in the capital of Bophelo Bio Science & Wellness (Pty) Ltd. (the “**Corporation**”) (the “**Bophelo Sale Shares**”) and Middleton Gardens Ltd. (“**Middleton**”) (an

entity 100% owned by GMG) owns 122,212 shares in the capital of the Corporation, being all of the issued shares in the capital of the Corporation.

2. As of the date of this Agreement, GMG owns 100 shares in the capital of Middleton (the "**Middleton Sale Shares**", and together with the Bophelo Sale Shares, the "**Purchased Shares**"), being all of the issued shares in the capital of Middleton.
3. As of the date of this Agreement, the Corporation has an outstanding debt obligation owing to Boiketlo in an aggregate amount equal to USD\$1,188,054.42 (the "**\$1.1m Debt Claim**").
4. As of the date of this Agreement, the Corporation has an outstanding debt obligation owing to 1942 CP in an amount equal to USD\$1,071,874.86 (the "**1942 CP Debt Claim**") and an outstanding debt obligation owing to Seedy in an amount equal to USD\$200,380.85 (the "**Seedy Debt Claim**", and together with the 1942 CP Debt Claim, the "**3rd Party Debt Claims**").
5. As of the date of this Agreement, Middleton has an outstanding debt obligation owing to GMG (the "**Middleton Bridge Loan Claim**") in respect of a bridge loan made by GMG to Middleton in an amount equal to USD\$1,200,000 (the "**Middleton Bridge Loan**"), and Middleton has loaned the aggregate amount owing under the Middleton Bridge Loan to the Corporation pursuant to a second bridge loan (the "**Bophelo Bridge Loan**").
6. Subject to the terms and conditions herein, effective as of the Closing Date, the Purchaser wishes to acquire from: (i) Boiketlo, and Boiketlo wishes to sell to the Purchaser, the Bophelo Sale Shares and the \$1.1m Debt Claim; (ii) GMG, and GMG wishes to sell to the Purchaser, the Middleton Sale Shares, such that on Closing, the Purchaser will own, either directly or indirectly, all of the issued shares in the capital of the Corporation; and (iii) the 3rd Party Lenders, and the 3rd Party Lenders wish to sell to the Purchaser, the 3rd Party Debt Claims.
7. It is specially recorded that each Party, including all natural Persons, to this Agreement has confirmed and truthfully acknowledged that all necessary Consents and approvals required to have been sought and granted prior to the execution by the Parties of this Agreement have been sought and granted unreservedly.

In consideration of the representations, warranties, covenants and agreements contained in this Agreement, the Parties therefore agree as follows, with the intent to be legally bound hereby:

Article 1 **INTERPRETATION**

1.1 Definitions

In this Agreement:

"**\$1.1m Debt Claim**" has the meaning specified in the Recitals to this Agreement;

"**\$1.1m Debt Claim Shares**" has the meaning specified in Section 2.3(i) of this Agreement;

"**1942 CP**" has the meaning specified in the Preamble to this Agreement;

"1942 CP Debt Claim" has the meaning specified in the Recitals to this Agreement;

"1942 CP Debt Claim Shares" has the meaning specified in Section 2.3(ii) of this Agreement;

"3rd Party Debt Claims" has the meaning specified in the Recitals to this Agreement;

"3rd Party Lenders" has the meaning specified in the Preamble to this Agreement;

"Accounting Records" means all of the books of account, accounting records and other financial information (whether in written, printed, electronic or computer printout form, or stored electronically, digitally or on computer related media) of the Corporation;

"Acquired Interests" means, collectively, the Purchased Shares, the \$1.1m Debt Claim and the 3rd Party Debt Claims;

"Affiliate" means, with respect to any Person, any other Person that directly or indirectly controls, is controlled by, or is under common control with that other Person. For purposes of this definition, a Person "controls" another Person if that Person possesses, directly or indirectly, the power to direct the management and policies of that other Person, whether through ownership of voting securities, by Contract or otherwise and "controlled by" and "under common control with" have similar meanings;

"Agreement" has the meaning specified in the Preamble to this Agreement;

"Annual Financial Statements" means the financial statements of the Corporation for the fiscal year ended March 31, 2019, consisting of a balance sheet and the accompanying statement of profit and loss, retained earnings and changes in financial position for the year ended March 31, 2019 and all notes thereto, together with a report of the Corporation's Accountants;

"Applicable Laws" in respect of any Party means any and all applicable (i) laws (including securities laws), statutes, rules, regulations, by-laws, codes, treaties, constitutions and ordinances, (ii) Orders, and (iii) policies, guidelines, standards, requirements, notices and protocols of any Governmental Authority;

"Arrangement Fee" has the meaning specified in Section 2.5(a) of this Agreement;

"Boiketlo" has the meaning specified in the Preamble to this Agreement;

"Boiketlo Principals" has the meaning specified in the Preamble to this Agreement;

"Books and Records" means the Accounting Records and all other information in any form relating to the Business or the Corporation, including sales and purchase records, lists of suppliers and customers, lists of potential customers, credit and pricing information, personnel and payroll records, tax records, business reports, plans and projections, production reports and records, inventory reports and records, business, engineering and consulting reports, marketing and advertising materials, research and development reports and records, maps, site plans, surveys, soil and substratum studies, as-built drawings, appraisals, electrical and mechanical plans and studies, environmental reports, and all other documents, files, records, correspondence and other information (whether in written, printed, electronic or computer printout form, or stored electronically, digitally or on computer related media);

“Bophelo Bridge Loan” has the meaning specified in the Recitals to this Agreement;

“Bophelo Sale Shares” has the meaning specified in the Recitals to this Agreement;

“Bophelo Shares” has the meaning specified in Section 3.1.4 of this Agreement;

“Business” means the business currently carried on by the Corporation consisting of preparing to cultivate and produce bulk cannabis, as authorized by the Ministry of Health of Lesotho, intended for export;

“Business Day” means any day except Saturday, Sunday, any statutory holiday in the Province of Ontario (Canada), Lesotho and the British Virgin Islands, or any other day on which the principal chartered banks in any such jurisdiction are closed for business;

“Closing” means the completion of the purchase and sale of the Acquired Interests and all other transactions contemplated by this Agreement with effect as at the Closing Time;

“Closing Date” means the date on which Closing occurs, or such other date as the Parties may agree in writing;

“Closing Document” means any agreement, certificate or other instrument to be executed or delivered at or in connection with the Closing as contemplated by this Agreement;

“Closing Halo Share Price” means the greater of: (i) the amount equal to the volume weighted average trading price of Halo Shares for the twenty (20) consecutive trading days immediately preceding the trading day prior to Closing; and (ii) the minimum price permitted pursuant to applicable securities laws and the requirements of the NEO;

“Closing Time” means 8:00 a.m. in the City of Toronto on the Closing Date or such other time on the Closing Date as the Parties may agree in writing;

“Collective Agreement” means any collective agreement, letter of understanding, memorandum of understanding, voluntary recognition agreement, letter of intent or other written communication with any labour union or employee association that governs the terms and conditions of employment of any Employees and imposes obligations on the Corporation;

“Consent” means any approval, consent, permit, waiver, ruling, exemption, acknowledgement or similar authorization from any Person other than (i) any Party hereto or (ii) any Governmental Authority, including those required by Applicable Laws or under the terms or conditions of any Contract;

“Contract” means any contract, agreement, instrument, undertaking, engagement or other legally binding commitment or arrangement, written or oral, express or implied;

“Corporation” has the meaning specified in the Recitals to this Agreement (for certainty, “Corporation” has the same meaning as “Company” for purposes of Lesotho law);

“Corporation’s Accountants” means the Corporation’s auditors as appointed from time to time in accordance with the applicable laws of Lesotho;

“Corporation’s Intellectual and Industrial Property” means any Intellectual and Industrial Property used, in whole or in part, in or required by the Corporation for the carrying on of the Business, both domestic and foreign, whether or not that Intellectual and Industrial Property is registered;

“Damages” means, whether involving a Direct Claim or Third Party Claim, any damages (available at law or in equity), losses, liabilities, claims, demands, debts, interest, charges, fines, penalties, assessments, reassessments, judgments, costs or expenses, including the costs and expenses of any Legal Proceeding or any Order, settlement or compromise relating thereto (including reasonable costs, fees and expenses of legal counsel or similar Tax advisor), but excluding any contingent liability until it becomes actual;

“Debt Instrument” means any bond, debenture, promissory note, trust indenture, loan agreement or other agreement evidencing indebtedness for borrowed money;

“Defending Party” has the meaning specified in Section 8.9 of this Agreement;

“Direct Claim” means any cause, thing, act, omission or state of facts not involving a Third Party Claim which entitles an Indemnified Person to make a claim for indemnification under Article 8 of this Agreement;

“Employee” means an individual who is employed by the Corporation, whether on a full-time or part-time basis;

“Employee Benefit Plans” means all compensation, overtime, severance or notice of termination pay, annual holiday pay, public holiday pay, sick leave, educational leave, workers’ compensation insurance and all other similar employee benefit plans, arrangements or agreements required by Applicable Law to be provided by the Corporation for the benefit of any of the Employees or former employees of the Corporation or beneficiaries of any of them, including those listed or described in Schedule 3.1.31, but shall exclude all basic salaries, wages, directors’ fees or other remuneration payable periodically (whether weekly, monthly or quarterly) by the Corporation to Employees or directors of the Corporation in the Ordinary Course;

“Environment” means the environment or natural environment as defined in any Environmental Law and includes soil, air, surface water, ground water, land surface, subsurface strata, any sewer system and the environment in the workplace;

“Environmental Laws” means Applicable Laws relating to the Environment, employee health or safety, or public health or safety, including Applicable Laws relating to (a) reporting, licensing, permitting, investigating, remediating and cleaning up in connection with any presence or Release, or the threat of the same, of Hazardous Substances, and (b) the generation, manufacture, processing, distribution, use, re-use, treatment, storage, disposal, transport, labelling, handling and the like of Hazardous Substances;

“Environmental Permits” means all Licenses issued, granted or required under Environmental Laws;

“Equipment Leases” means leases in respect of the machinery, tooling, equipment, generators, technology and communications hardware and infrastructure, furniture, furnishings and

accessories, parts and supplies of all kinds and other assets leased by the Corporation and used in connection with the Business;

“Escrow” has the meaning specified in Section 2.4(a) of this Agreement;

“Escrow Agent” has the meaning specified in Section 2.4(a) of this Agreement;

“Escrow Agreement” has the meaning specified in Section 2.4(a) of this Agreement;

“Escrow Shares” has the meaning specified in Section 2.4(a) of this Agreement;

“Escrow Termination Date” has the meaning specified in Section 2.4(b) of this Agreement;

“Financial Statements” means the Annual Financial Statements and Interim Financial Statements;

“GMG” has the meaning specified in the Preamble to this Agreement;

“Governmental Authority” means, in respect of a Party, any (i) federal, provincial, state, territorial, municipal, local or other government, domestic or foreign, (ii) governmental or public ministry, department, agency, Tribunal, commission, board, bureau or instrumentality, domestic or foreign including, but not limited to, applicable securities regulators, (iii) subdivision or authority of any of the foregoing, (iv) stock exchange or (v) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above having authority over such Party;

“Guarantee” means any agreement, Contract or commitment providing for the guarantee, indemnification, assumption or endorsement or any like commitment with respect to the obligations, liabilities (contingent or otherwise) or indebtedness of any Person;

“Halo Arrangement Fee Shares” has the meaning specified in Section 2.5 of this Agreement;

“Halo Purchase Shares” has the meaning specified in Section 2.2 of this Agreement;

“Halo Share Recipient” has the meaning specified in Section 3.4.16(a) of this Agreement;

“Halo Shares” means the common shares in the capital of the Purchaser;

“Hazardous Substance” means any solid, liquid, gas, odour, heat, sound, vibration, radiation or combination of them that may impair the Environment, injure or damage property or plant or animal life or harm or impair the health of any individual;

“IFRS” means International Financial Reporting Standards as issued by the board of the Financial Accounting Standards Committee from time to time;

“Indemnified Person” means any Person entitled to indemnification under Article 8 of this Agreement;

“Indemnifier” means any Person obligated to provide indemnification under Article 8 of this Agreement;

"Indemnity Payment" means the amount of any Damages required to be paid under Article 8;

"Information" has the meaning specified in Section 4.3.1(a) of this Agreement;

"Intellectual and Industrial Property" means tangible or intangible property in which Intellectual and Industrial Property Rights subsist and/or that is subject to Intellectual and Industrial Property Rights including, without limitation, ideas, formulae, algorithms, concepts, techniques, processes, procedures, approaches, methodologies, plans, systems, research, information, documentation, data, data compilations, specifications, requirements, designs, diagrams, inventions, technology, computer programs (including all related code), tools, products, knowledge, know-how and trade secrets;

"Intellectual and Industrial Property Rights" means:

- (i) any and all proprietary rights anywhere in the world provided under: patent law, copyright law, trademark law, design patent or industrial design law, semiconductor chip or mask work law, trade secret law, or any other statutory provision or common law principle that provides a right in either intellectual property or the expression or use of intellectual property; and
- (ii) any and all applications, registrations, licenses, sub-licenses, franchises, agreements or any other evidence of a right in any of the foregoing;

"Interested Person" means any present or former officer, director, shareholder or employee of the Corporation or any Person with which the Corporation does not deal at arm's length within the meaning of applicable Tax Legislation;

"Interim Financial Statements" means the unaudited financial statements of the Corporation for the period ended September 30, 2019 consisting of a balance sheet and the accompanying statements of profit and loss, retained earnings and changes in financial position for the period then ended and all notes (if any) to them;

"Interim Period" means the period from and including the time of execution of this Agreement to and including the Closing Time;

"Leased Property" means premises which are leased, subleased, licensed, used or occupied by the Corporation, including those listed or described in Schedule 3.1.24, and the interest of the Corporation in all plants, buildings, structures, fixtures, erections, improvements, easements, rights-of-way, spur tracks and other appurtenances situated on or forming part of those premises;

"Leases" means the real property leases or other rights of occupancy relating to real property to which the Corporation is a party or under which it has rights or obligations, whether as lessor or lessee, including those listed or described in Schedule 3.1.24;

"Legal Proceeding" means any litigation, action, suit, investigation, hearing, inquiry, claim, complaint, grievance, application, arbitration proceeding or other proceeding, including any Tax assessment, reassessment, audit or appeal, and any appeal or review and any application with respect to any of the foregoing;

"License" means any license, permit, approval, authorization, certificate, directive, Order, variance, registration, right, privilege, concession or franchise issued, granted, conferred or otherwise created by any Governmental Authority;

"Licensed IP" has the meaning specified in Section 3.1.29 of this Agreement;

"Lien" means any lien, mortgage, charge, pledge, hypothec, security interest, assignment, option, conditional sale, warrant, lease, sublease, easement, restrictive covenant, title retention agreement, statutory or deemed trust, adverse claim or other encumbrance of any kind, which secures payment or performance of an obligation or otherwise affects the right, title or interest in or to any particular property;

"Lock-up Period" has the meaning specified in Section 2.6 of this Agreement;

"Louisa \$1m Loan Agreement" means the loan agreement dated on or about the date hereof between Mojela and the Corporation, pursuant to which Mojela agreed to provide the Corporation with a secured term loan facility of USD\$1,000,000;

"Louisa Claim" means any amounts owing by the Corporation to Mojela pursuant to the Louisa \$1m Loan Agreement;

"Material Adverse Change" or **"Material Adverse Effect"** means:

- (i) in respect of the Corporation, any event, matter or circumstance, any change or effect (without giving effect to this Agreement or the transactions contemplated by this Agreement) that, 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, assets, financial condition or results of operation of the Corporation; and
- (ii) in respect of the Purchaser, any event, matter or circumstance, any change or effect (without giving effect to this Agreement or the transactions contemplated by this Agreement) that, 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, assets, financial condition or results of operation of the Purchaser;

but shall exclude, as applicable, any Material Adverse Change or Material Adverse Effect arising out of: (i) a decline in the market price of the products of the Corporation or the Purchaser; (ii) an increase in the price of raw materials used by the Corporation or the Purchaser; (iii) any adverse change, effect or circumstance relating generally to financial markets or general economic conditions; (iv) any adverse change, effect or circumstance relating to conditions generally affecting the industry in which the Corporation or the Purchaser operates including, but not limited to, the cannabis industry, and not affecting them in a disproportionate manner; (v) war, act of terrorism, civil unrest or similar event; (vi) any generally applicable change in Applicable Laws or interpretation thereof; (vii) any adverse change, effect or circumstance resulting from an action required or permitted by

this Agreement; or (viii) any adverse change, effect or circumstance caused by the announcement or pendency of this Agreement or the transactions contemplated by this Agreement;

"Material Contracts" has the meaning specified in Section 3.1.27 of this Agreement;

"Middleton" has the meaning specified in the Recitals to this Agreement;

"Middleton Bridge Loan" has the meaning specified in the Recitals to this Agreement;

"Middleton Bridge Loan Claim" has the meaning specified in the Recitals to this Agreement;

"Middleton Sale Shares" has the meaning specified in the Recitals to this Agreement;

"Mojela" has the meaning specified in the Preamble to this Agreement;

"NEO" means the NEO Exchange Inc.;

"Non-Competition Agreements" means the non-competition agreements to be entered into by each of the Boiketlo Principals, in a form mutually satisfactory to the Purchaser and each of the Boiketlo Principals;

"notice" has the meaning specified in the Section 9.1 to this Agreement;

"Order" means any order, directive, judgment, decree, award or writ of any Tribunal;

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

"Owned IP" has the meaning specified in Section 3.1.29 of this Agreement;

"Parties" means the Purchaser, Mojela, Seape, Boiketlo, GMG, 1942 CP, and Seedy, and

"Party" means any one of them;

"Permitted Liens" means:

- (i) Liens for Taxes and utilities which are not due or in arrears;
- (ii) easements, encroachments and other minor imperfections of title which do not, individually or in the aggregate, detract from the value of or impair the use or marketability of any real property;
- (iii) construction, mechanics', carriers', workers', repairers', storers' or other similar Liens (i) that, individually or in the aggregate, are not material, (ii) that arose or were incurred in the Ordinary Course, (iii) that are related to obligations not due or in arrears, (iv) that have not been registered or filed under Applicable Laws, and/or (v) for which notice in writing has not been given to the Seller Group or the Corporation;

- (iv) the Liens listed or described in Schedule 1.1A; and/or
- (v) any Liens automatically created by operation of any Applicable Laws;

“Person” includes any individual, body corporate, unlimited liability company, limited liability corporation, partnership, limited liability partnership, sole proprietorship, firm, joint stock company, joint venture, trust, unincorporated association, unincorporated organization, syndicate, Governmental Authority and any other entity or organization of any nature whatsoever;

“Pre-Closing Debt Transfer” means the pre-Closing debt transfer transactions described in Exhibit A;

“Prime Rate” for any day means the rate of interest expressed as a rate per annum that the Bank of Montreal establishes as the reference rate of interest that it will charge on that day for Canadian dollar demand loans to its customers in Canada and which it refers to as its prime rate;

“Purchase Consideration” means the aggregate consideration payable by the Purchaser to the Seller Group and the 3rd Party Lenders, respectively, for the Acquired Interests under Section 2.2;

“Purchased Shares” has the meaning specified in the Recitals to this Agreement;

“Purchaser” has the meaning specified in the Preamble to this Agreement;

“Purchaser Financial Statements” means, together, the audited consolidated financial statements for the years ending December 31, 2018 and 2017 and the unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2019 and 2018;

“Purchaser Public Documents” has the meaning specified in Section 3.4.11 of this Agreement;

“Purchaser’s Advisors” means the directors, officers, employees, auditors, legal counsel, financial advisors (including lenders) and tax advisors of the Purchaser and any other Person authorized in writing by the Purchaser to represent the Purchaser for purposes of receiving Information concerning the Seller Group, the Corporation, their affairs or activities and/or the transactions which are the subject matter of this Agreement;

“Purchaser’s Indemnified Persons” means the Purchaser and, following Closing, the Corporation, Middleton, and each of their respective directors, officers, employees and agents;

“Regulatory Approval” means any approval, consent, permit, waiver, ruling, exemption, acknowledgement or similar authorization from any Governmental Authority, including those required by Applicable Laws or under the terms or conditions of any Contract, License or Order;

“Release” means any release or discharge of any Hazardous Substance, including any burial, incineration, spray, injection, inoculation, abandonment, deposit, spillage, leakage, seepage, pouring, emission, emptying, throwing, dumping, placing, exhausting, escape, leaching, migration, dispersal, dispensing or disposal;

“Reporting Jurisdictions” has the meaning specified in Section 4.4.5 of this Agreement;

“Representatives” means, in respect of a Party, that Party’s directors or trustees, officers, employees, agents, solicitors, accountants, professional advisors and other representatives involved in the transactions contemplated by this Agreement and, in the case of the Seller Group prior to Closing, includes those of the Corporation;

“Seape” has the meaning specified in the Preamble to this Agreement;

“Seedy” has the meaning specified in the Preamble to this Agreement;

“Seedy Debt Claim” has the meaning specified in the Recitals to this Agreement;

“Seedy Debt Claim Shares” has the meaning specified in Section 2.3(iii) of this Agreement;

“Seller Group” has the meaning specified in the Preamble to this Agreement;

“Seller Group Arrangement Fee Shares” has the meaning specified in Section 2.3(iv) of this Agreement;

“Seller Group Indemnified Persons” means each Seller Group Member, each of their respective directors, officers, employees and agents.

“Seller Group Member” has the meaning specified in the Preamble to this Agreement;

“Shortfall” has the meaning specified in Section 2.6 of this Agreement;

“Target Net Debt” means \$2,600,000;

“Tax” means all taxes, assessments, charges, dues, duties, rates, fees, penalties, import and export permit taxes and associated levies, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Authority and regulators under any applicable Tax Legislation, including, municipal rates and domestic laws, foreign or other income, capital, goods and services, sales, capital gains tax, Customs and Excise Act, value-added tax (VAT), transfer duty and stamp duties payable on any form of security and negotiable instruments, Corporate Income Tax (CIT), pay-as-you-earn (PAYE), withholding tax (WHT), Tax rulings, charges and fees under Exchange Control Regulations, tax exemptions and other levies and duties in force from time to time;

“Tax Legislation” means without limitation thereof, all enacted statutory legal instruments and regulations imposing a tax, levies and duties including all treaties, proclamations conventions, rules, regulations, Orders, and decrees in force from time to time;

“Tax Returns” includes all returns of taxes and tax penalties inclusive of Annual Financial Statements, monthly VAT returns, monthly PAYE returns, monthly withholding Tax returns and withholding Tax certificates, annual individual Tax returns of the company management and directors (P16), reports, rulings, declarations, elections, notices, filings, forms, statements and other documents (whether in tangible, electronic or other form) and including any notices, amendments, schedules, attachments, supplements, appendices and exhibits thereto, made, prepared, filed or required to be made, prepared or filed under Applicable Laws and regulations in respect of Taxes and penalties;

“Third Party Claim” means any claim or Legal Proceeding that is instituted or asserted by any Person who is not a Party against an Indemnified Person which entitles the Indemnified Person to make a claim for indemnification under Article 8 of this Agreement;

“Trade Laws” has the meaning specified in Section 3.1.35 of this Agreement;

“Tribunal” means any court (including a court of equity), arbitrator or arbitration panel, or any Governmental Authority or other body exercising adjudicative, regulatory, judicial or quasi-judicial powers, including any stock exchange; and

“U.S. Cannabis Laws” means the Controlled Substances Act of 1970, 21 U.S.C. Section 801, et seq., any regulations promulgated pursuant thereto, and any other law predicated on the violation thereof.

1.2 Certain Rules of Interpretation

In this Agreement:

- (a) **Consent** – Whenever a provision of this Agreement requires or contemplates the consent or approval of a Party and that approval or consent is not delivered within the applicable time limit, then, unless otherwise specified, that Party will be deemed to have withheld its approval or consent.
- (b) **Currency** – Unless otherwise specified, all dollar amounts in this Agreement, including the symbol “\$”, refer to United States currency.
- (c) **Gender and Number** – In this Agreement, unless the context requires otherwise, any reference to gender includes all genders and words importing the singular number only include the plural and vice versa.
- (d) **Headings, etc.** – The division of this Agreement into Articles, Sections and other subdivisions and the inclusion of headings and a table of contents are provided for convenience only and do not affect the construction or interpretation of this Agreement.
- (e) **Including** – In this Agreement, the words “include” or “including” mean “include (or including) without limitation” and the words following “include” or “including” are not to be considered an exhaustive list.
- (f) **Knowledge** – Where any representation or warranty contained in this Agreement is qualified by reference to the knowledge of a Party it refers to the actual knowledge of the individuals listed in Schedule 1.2 (after due and diligent inquiry of any employees of such Party that are reasonably necessary to inform such individuals of the matters relevant hereto) without personal liability on the part of any of them.
- (g) **Performance on Holidays** – If any act is required by the terms of this Agreement to be performed on a day which is not a Business Day, the act will be valid if performed on the next succeeding Business Day.
- (h) **References to Documents** – Unless otherwise specified, any reference in this Agreement to this Agreement or any other agreement or document, is a reference to this

Agreement or the other agreement or document as it may have been, or may from time to time be, amended, supplemented, restated, novated or replaced and includes all schedules and exhibits to it.

- (i) **References to Persons** – Unless the context otherwise requires, any reference in this Agreement to a Person includes its heirs, administrators, executors and other legal representatives, successors and permitted assigns.
- (j) **References to this Agreement** – The words “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions refer to this Agreement as a whole and not to any particular section or portion of it.
- (k) **Statutory References** – Unless otherwise specified, any reference in this Agreement to a statute includes all rules and regulations made under it, in each case as it or they may have been, or may from time to time be, amended or re-enacted.
- (l) **Time** – Time is of the essence of this Agreement, and no extension or variation of this Agreement will operate as a waiver of this provision.
- (m) **Time Periods** – Unless otherwise specified, a period of days will be deemed to begin on the first day after the event which began the period and to end at 5:00 p.m. (Toronto time) on the last day of the period. If a period of time is to expire on any day that is not a Business Day, the period will be deemed to expire at 5:00 p.m. (Toronto time) on the next succeeding Business Day.
- (n) **Trade Terms** – Unless otherwise defined in this Agreement, words or abbreviations which have well-known trade meanings are used in this Agreement with those meanings.

Article 2

PURCHASE AND SALE OF ACQUIRED INTERESTS

2.1 Purchase and Sale

Subject to the terms and conditions of this Agreement, and subject to the notifications and disclosures to the Financial Institutions Regulators of Lesotho where applicable, with effect as at the Closing Time:

- (a) Boiketlo shall sell to the Purchaser, and the Purchaser shall purchase from Boiketlo, the Bophelo Sale Shares;
- (b) GMG shall sell to the Purchaser, and the Purchaser shall purchase from GMG, the Middleton Sale Shares;
- (c) 1942 CP shall sell to the Purchaser, and the Purchaser shall acquire from 1942 CP, the 1942 CP Debt Claim; and
- (d) Seedy shall sell to the Purchaser, and the Purchaser shall acquire from Seedy, the Seedy Debt Claim.

2.2 Amount of Purchase Consideration

The aggregate consideration (the “**Purchase Consideration**”) payable by the Purchaser in respect of the purchase of the Acquired Interests is forty three million seven hundred and twelve thousand six hundred and sixty seven (43,712,667) Halo Shares (the “**Halo Purchase Shares**”), which will be issued in accordance with Section 2.3.

2.3 Payment of Purchase Consideration

Subject to Sections 2.4, the Purchase Consideration will be paid and satisfied at Closing as follows:

- (i) such number of Halo Purchase Shares that is equal to the aggregate amount owing under the \$1.1m Debt Claim at Closing divided by the Closing Halo Share Price, shall be issued to Boiketlo in respect of the acquisition of the \$1.1m Debt Claim (the “**\$1.1m Debt Claim Shares**”);
- (ii) such number of Halo Purchase Shares that is equal to the aggregate amount owing under the 1942 CP Debt Claim at Closing divided by the Closing Halo Share Price, shall be issued to 1942 CP in respect of the acquisition of the 1942 CP Debt Claim (the “**1942 CP Debt Claim Shares**”);
- (iii) such number of Halo Purchase Shares that is equal to the aggregate amount owing under the Seedy Debt Claim at Closing divided by the Closing Halo Share Price, shall be issued to Seedy in respect of the acquisition of the Seedy Debt Claim (the “**Seedy Debt Claim Shares**”);
- (iv) 2,039,333 Halo Purchase Shares shall be issued to GMG (the “**Seller Group Arrangement Fee Shares**”) in partial satisfaction of the Arrangement Fee;
- (v) such number of Halo Purchase Shares that is equal to 45% of the balance of the Purchase Consideration (after allocation of the \$1.1m Debt Claim Shares, the 1942 CP Debt Claim Shares, the Seedy Debt Claim Shares and the Seller Group Arrangement Fee Shares) shall be issued to Boiketlo in respect of the purchase of the Bophelo Sale Shares; and
- (vi) such number of Halo Purchase Shares that is equal to 55% of the balance of the Purchase Consideration (after allocation of the \$1.1m Debt Claim Shares, the 1942 CP Debt Claim Shares, the Seedy Debt Claim Shares and the Seller Group Arrangement Fee Shares) shall be issued to GMG in respect of the purchase of the Middleton Sale Shares.

2.4 Escrow Arrangements

- (a) Prior to Closing, the Purchaser and each Seller Group Member shall enter into an escrow agreement (the “**Escrow Agreement**”) with a mutually agreeable third party escrow agent (the “**Escrow Agent**”) on terms and conditions agreed to by such parties. Pursuant to the Escrow Agreement, at Closing, the Purchaser shall issue and place with the Escrow Agent such number of Halo Purchase Shares that is equal to: (i) 15% of the Halo Purchase Shares (the “**Escrow Shares**”) to be issued in respect of the Purchase

Consideration, less (ii) the aggregate of the \$1.1m Debt Claim Shares, the 1942 CP Debt Claim Shares and the Seedy Debt Claim Shares (the “**Escrow**”), which excludes for certainty the Halo Arrangement Fee Shares.

- (b) The Escrow shall constitute security solely for the indemnification obligations of the Seller Group under Article 8 of this Agreement and shall be held and distributed in accordance with the provisions of this Agreement and the Escrow Agreement. Subject to any Purchaser indemnification claims made pursuant to Article 8 and any corresponding reduction resulting from payments made or potentially to be made pursuant to such indemnification claims, such Escrow Shares shall be released from Escrow on the date that is twelve (12) months following Closing and allotted 45% to Boiketlo and 55% to GMG (“**Escrow Termination Date**”).
- (c) Prior to the Escrow Termination Date and subject to compliance with Applicable Laws and the rules and policies of the NEO, Boiketlo and GMG will be entitled to such voting and other rights in respect of the Escrow Shares (or any remaining portion thereof in the event of any Purchaser indemnification claims) applicable to holders of Halo Shares in proportion to their respective entitlements thereto.
- (d) Any fees payable to the Escrow Agent pursuant to the Escrow Agreement will be borne solely by the Purchaser.

2.5 Halo Arrangement Fee Shares

- (a) At Closing, and in addition to the Seller Group Arrangement Fee Shares, the Purchaser shall pay to GMG 2,039,334 Halo Shares (the “**Halo Arrangement Fee Shares**”) so that the entirety of the arrangement fee owed to GMG shall equal 4,078,667 Halo Shares (the “**Arrangement Fee**”).
- (b) For certainty, the Halo Arrangement Fee Shares (i) shall be payable in addition to the Purchase Consideration and (ii) shall not be subject to the lock-up provision set out in Section 2.6 or to the Escrow.

2.6 Lock-up

Following Closing, subject to Applicable Laws, including applicable securities law restrictions, and the Escrow, Boiketlo and GMG, as the case may be, shall be entitled to dispose of not more than 7% of their holdings of Halo Purchase Shares (excluding, for certainty, the Halo Arrangement Fee Shares) in any calendar month within the 13 month period following Closing (the “**Lock-up Period**”). In the event that Boiketlo or GMG, as the case may be, fail to dispose of up to 7% of their holdings of Halo Purchase Shares in any given month during the Lock-up Period (the “**Shortfall**”), then the Shortfall shall be carried forward and each of Boiketlo and GMG, as the case may be, shall be entitled to dispose of all or a portion of any and all Shortfalls together with their disposal entitlement in any given month during the Lock-up Period. Boiketlo and GMG shall be free to dispose of the balance of their holdings of Halo Purchase Shares following the expiry of the Lock-up Period at their discretion and in accordance with Applicable Laws. For certainty, in the event that the Halo Shares cease to be listed on the NEO or any other recognized stock exchange, the lock-up provisions contemplated by this Section 2.6 shall terminate and shall be of no further force or effect.

Article 3
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of Boiketlo in respect of the Corporation

Boiketlo represents and warrants to the Purchaser in respect of the Corporation as set out in this Section 3.1 and acknowledges that the Purchaser is relying on those representations and warranties in entering into this Agreement and completing the transactions contemplated by it.

3.1.1 Incorporation, Qualification and Residency of the Corporation

The Corporation is a private limited liability company incorporated and existing under the laws of Lesotho. The Corporation has the corporate power and capacity to own, lease, use and operate its property, carry on the Business as now being conducted by it and enter into and perform its obligations under each of the Closing Documents to which it is or is to become a party. Except as disclosed in Schedule 3.1.1, the Corporation is registered, licensed or otherwise qualified to carry on the Business and is in good standing in all respects under the laws of each jurisdiction in which it owns or leases real property and each other jurisdiction in which the conduct of the Business or the ownership of its properties requires such qualification or authorization. No Governmental Authority has contested nor proposed to contest the jurisdiction in which such central management and control has been exercised nor the residence of the Corporation for any purpose.

3.1.2 No Solvency or Reorganization Proceedings

Except as disclosed in Schedule 3.1.2, the Corporation is not insolvent and no proceedings have been taken or authorized by Boiketlo, GMG, the Corporation or by any other Person with respect to the bankruptcy, insolvency, liquidation, dissolution or winding up of the Corporation or with respect to any amalgamation, merger, consolidation, arrangement, receivership or reorganization of, or relating to, the Corporation nor, to the knowledge of Boiketlo, have any such proceedings been threatened by any other Person.

3.1.3 Validity of Agreement

This Agreement and each of the Closing Documents to which the Corporation is or is to become a party, have been or will be duly executed and delivered by the Corporation and are or will at the Closing Time be legal, valid and binding obligations of the Corporation, enforceable against the Corporation in accordance with their respective terms, except as 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.

3.1.4 Authorized and Issued Capital

The authorized capital of the Corporation consists of 10,000,000 ordinary shares of which 100,000 ordinary shares are owned by Boiketlo and 122,212 ordinary shares are owned by Middleton (collectively, the "**Bophelo Shares**"). All of the Bophelo Shares have been issued in compliance with Applicable Laws.

3.1.5 No Other Agreements or Options

Except for the Purchaser's rights under this Agreement, no Person has any written or oral agreement or option or any right or privilege capable of becoming an agreement or option for (i) the purchase or other acquisition of any of the Bophelo Shares; (ii) the purchase, subscription, allotment or issuance of any unissued shares or other securities of the Corporation; or (iii) other than in the Ordinary Course, the purchase or other acquisition from the Corporation of any of its undertaking, operations, property or assets.

3.1.6 No Conflicts

The execution and delivery of and performance by the Corporation of this Agreement and of each of the Closing Documents to which it is or is to become a party do not and will not (with or without the giving of notice, the lapse of time or the happening of any other event or condition):

- (a) result in the breach of, or conflict with, or allow any Person to exercise any rights under, or cause the Corporation to be bound by any additional or more onerous obligation under, any of the terms or provisions of:
 - (i) the articles, by-laws or any resolutions of the board of directors or shareholders of the Corporation; or
 - (ii) any Contract to which the Corporation is a party, under which the Corporation has rights or obligations or by which any of the property or assets of the Corporation may be affected, except as would not reasonably be expected to have a Material Adverse Effect in respect of the Corporation;
- (b) result in the breach of, or cause the termination, amendment or revocation of, any Consent or License held by the Corporation, except as would not reasonably be expected to have a Material Adverse Effect in respect of the Corporation, or necessary to the ownership of the Bophelo Shares or the operation of the Business; or
- (c) result in the violation of any Applicable Law, except as would not reasonably be expected to have a Material Adverse Effect in respect of the Corporation.

3.1.7 Required Regulatory Approvals

Except as disclosed in Schedule 3.1.7, there is no requirement on the part of the Corporation to obtain any Regulatory Approval or make any filing with or give notice to any Governmental Authority in connection with the lawful completion of the transactions contemplated by this Agreement or to maintain all material rights and benefits of the Corporation after the Closing Time under any Contract with a Governmental Authority, Order or License to which the Corporation is a party, other than those Regulatory Approvals, filings or notices where any failure to obtain or complete would not have a Material Adverse Effect.

3.1.8 Required Consents

Except as disclosed in Schedule 3.1.8, there is no requirement on the part of the Corporation to obtain any Consent in connection with the lawful completion of the transactions contemplated by this Agreement or to maintain all material rights and benefits of the Corporation after the Closing

Time under any Contract with a Governmental Authority, Order or License to which the Corporation is a party, other than those Consents where any failure to obtain would not have a Material Adverse Effect.

3.1.9 Corporate Records

True, correct and complete copies of the minute books of the Corporation and other corporate records have been made available to the Purchaser, and such minute books of the Corporation and other corporate records have been maintained in accordance with Applicable Laws in all material respects. All corporate proceedings and actions reflected in the minute books of the Corporation have been conducted or taken in accordance with Applicable Laws, the articles of the Corporation and all by-laws of the Corporation. There are no shareholders' agreements or unanimous shareholders' agreements governing the affairs of the Corporation or the relationship, rights and duties of its shareholders or directors nor are there any voting trusts, pooling arrangements or other similar agreements with respect to the ownership or voting of any shares of the Corporation.

3.1.10 Dividends and Distributions

The Corporation has not, directly or indirectly, declared or paid any dividends or declared or made any other distribution or return of capital in respect of any of its shares and has not, directly or indirectly, redeemed, purchased or otherwise acquired any of its outstanding shares or agreed to do so.

3.1.11 Business Carried on in Ordinary Course

Since March 31, 2019, the Corporation has carried on the Business in the Ordinary Course. Without limiting the generality of the foregoing, since March 31, 2019, the Corporation has not, except as disclosed in Schedule 3.1.11:

- (a) made or suffered a Material Adverse Change;
- (b) sold or otherwise disposed of any of its assets, except for inventory sold in the Ordinary Course, and which individually or in the aggregate exceeded \$100,000;
- (c) incurred or assumed any obligation or liability of any nature whatsoever, other than current liabilities, which current liabilities include, for the avoidance of doubt, the \$1.1m Debt Claim, the 3rd Party Debt Claims, the Bophelo Bridge Loan, the Louisa Claim, payables directly relating to transactions contemplated herein (including general legal and advisory costs) but which payables do not exceed in the aggregate \$ 250,000; and such other current liabilities as have been incurred in the Ordinary Course;
- (d) discharged any Lien or paid any secured or unsecured obligation or liability of any nature whatsoever, other than current liabilities incurred in the Ordinary Course, or scheduled payments under Contracts or payments made in terms of the Pre-Closing Debt Transfer;
- (e) created or permitted to exist any Lien on any of its assets, other than a Permitted Lien;
- (f) made any capital expenditure, other than in the Ordinary Course;

- (g) suffered any extraordinary loss, whether or not covered by insurance;
- (h) made any material change to the method of billing customers or the credit terms made available to customers;
- (i) made any material change to any method of management, operation or accounting in respect of the Business;
- (j) waived or cancelled any material rights or claims;
- (k) compromised or settled any Legal Proceeding pending against it, the Business or any of its assets;
- (l) written off any accounts receivable other than in the Ordinary Course;
- (m) increased the rate of wages, salaries or bonuses of any Employees except as required under the terms of any Contract or by operation of Applicable Laws;
- (n) increased the benefits to which Employees and former employees are entitled under any Employee Benefit Plan or created any new Employee Benefit Plan;
- (o) entered into, modified, amended or terminated any Contract or waived or released any rights under any Contract, other than in the Ordinary Course or as required by operation of Applicable Laws;
- (p) terminated, discontinued, closed or disposed of any material plant, facility or business operation; or
- (q) authorized, agreed or become bound to do any of the foregoing.

3.1.12 Compliance with Applicable Laws

The Corporation has conducted and is conducting the Business and operates and maintains the properties and assets used in the Business in compliance with Applicable Laws in all material respects. The Corporation has not received any notice of any alleged violation of Applicable Laws that has not been remedied or rectified and, to the knowledge of Boiketlo, there are no facts that could give rise to a notice of non-compliance by the Corporation with Applicable Laws.

3.1.13 Required Licenses

The Corporation possesses all Licenses required under Applicable Laws to conduct the Business and to own, use and operate the properties and assets used in the Business. Schedule 3.1.13 is a complete and accurate list of all those Licenses. True and complete copies of all Licenses listed in Schedule 3.1.13 have been made available to the Purchaser for inspection, and those Licenses are valid and subsisting and in good standing, there is no default under any of them, and no proceeding is pending or threatened and, to the knowledge of Boiketlo, no grounds exist to revoke or amend any of them.

3.1.14 Books and Records

All Books and Records have, in all material respects, been properly, fully and accurately kept and in accordance with Applicable Laws and contain full and accurate records of all material matters relating to the Business. All financial transactions relating to the Business have been accurately recorded in the Accounting Records in accordance with IFRS. No Books and Records are in the possession or control of, recorded, stored, maintained by, or otherwise dependent on, any other Person.

3.1.15 Financial Statements

The Financial Statements have been prepared in accordance with IFRS and fairly present, in all material respects:

- (a) the assets, liabilities and financial condition of the Corporation; and
- (b) the revenues, earnings and results of operations of the Corporation,

in each case as of the date and throughout the period indicated. True, correct and complete copies of the Annual Financial Statements and the Interim Financial Statements are attached as Schedule 3.1.15.

3.1.16 Non-Arm's Length Transactions

Except as disclosed in Schedule 3.1.16:

- (a) no Interested Person is indebted to the Corporation nor is the Corporation indebted to any Interested Person;
- (b) the Corporation is not a party to any Contract with any Interested Person other than Contracts of employment;
- (c) no Interested Person owns, directly or indirectly, in whole or in part, any property that the Corporation uses in the operation of the Business;
- (d) no Interested Person has any cause of action or other claim against the Corporation in connection with the Business, other than for accrued expense reimbursements, vacation pay and benefits under any Employee Benefit Plans; and
- (e) since March 31, 2019, no payment has been made to any Interested Person, other than in the Ordinary Course (including any salary or directors fees paid to any Interested Person in the Ordinary Course) or for purposes of implementing the Pre-Closing Debt Transfer.

3.1.17 No Liabilities

The Corporation has no liabilities of any nature whatsoever and no event has occurred or, to the knowledge of Boiketlo, no circumstance exists which may give rise after Closing to any liability of any nature whatsoever, except for, in either case:

- (a) liabilities related to the post-Closing obligations of the Corporation that are set out on Schedule 3.1.17;
- (b) liabilities related to the \$1.1m Debt Claim, the 3rd Party Debt Claims or the Louisa Claim, which liabilities are set out on Schedule 3.1.17;
- (c) liabilities reflected in the Financial Statements; and
- (d) liabilities incurred in the Ordinary Course which do not have a Material Adverse Effect, including any liabilities relating to legal and advisory fee costs directly related to the transaction herein (including general legal and advisory costs).

3.1.18 Debt Instruments

Except as disclosed in Schedule 3.1.18, the Corporation is not a party to or bound by or subject to any Debt Instrument or any agreement, Contract or commitment to create, assume or issue any Debt Instrument, and no Debt Instrument or Lien which the Corporation is a party to or bound by or subject to is dependent upon the Guarantee of or any security provided by any other Person. True and complete copies of all Contracts relating to the Debt Instruments listed in Schedule 3.1.18, including any amendments to those Contracts, have been made available to the Purchaser for inspection, those Contracts are in full force and effect and in good standing with no amendments except as disclosed in Schedule 3.1.18 and there are no outstanding defaults or violations under any of those Contracts on the part of the Corporation or, to the knowledge of Boiketlo, on the part of any other party to those Contracts.

3.1.19 Government Assistance

The Corporation is not a party to or bound by or subject to any agreements, loans or other funding arrangements and assistance programs from any Governmental Authority.

3.1.20 Guarantees

Except as disclosed in Schedule 3.1.20, the Corporation has not given nor agreed to give, nor is it a party to or bound by or subject to, any Guarantee.

3.1.21 Banking Information and Powers of Attorney

Schedule 3.1.21 is a complete and accurate list of (i) the name and location (including municipal address) of each bank, trust company or similar institution in which the Corporation has an account or safe deposit box, the number or designation of each such account and safe deposit box and the name of each Person authorized to draw thereon or have access thereto; and (ii) the name of each Person holding a power of attorney from the Corporation, if any, and a summary of its terms. True and complete copies of all powers of attorney listed in Schedule 3.1.21 have been made available to the Purchaser for inspection.

3.1.22 Title to the Assets

Except as disclosed elsewhere in the Agreement, the Corporation is the sole beneficial (and where its interests are registered, the sole registered) owner of all the property and assets (whether real, personal or mixed and whether tangible or intangible) used by it in connection with

the Business or reflected in the Books and Records as being owned by the Corporation, with good title thereto, free and clear of all Liens other than Permitted Liens.

3.1.23 Sufficiency and Condition of Assets

The assets owned, licensed or leased by the Corporation as listed in Schedule 3.1.23 constitute all of the property and assets used to carry on the Business as it is currently carried on and include all proprietary rights, Intellectual and Industrial Property Rights and other property and assets, tangible and intangible, used in connection with the Business. All tangible assets used in the Business, other than inventory, motor vehicles and equipment in transit, are located on the Leased Property.

3.1.24 Leases and Leased Property

- (a) Schedule 3.1.24 is a complete and accurate list of all of the Leases. True and complete copies of all of the Leases, including any amendments to those Leases, have been made available to the Purchaser for inspection.
- (b) The Leases are in full force and effect and in good standing with no amendments except as disclosed in Schedule 3.1.24.
- (c) All payments required to be made by the Corporation under the Leases have been paid, there are no outstanding defaults or violations under any of those Leases on the part of the Corporation or, to the knowledge of Boiketlo, on the part of any other party to any of those Leases, there are no disputes between the Corporation and any other party to any of those Leases, and the Corporation has not sublet, assigned, licensed or otherwise conveyed any rights in the Leases or the Leased Property to any other Person except as otherwise contemplated in this Agreement.
- (d) No part of the Leased Property has been taken or expropriated by any Tribunal or other body having power of expropriation, nor has any Legal Proceeding or notice in respect of any such expropriation been commenced, given or, to the knowledge of Boiketlo, threatened.

3.1.25 Real Property

- (a) The Corporation does not own or have any interest in, nor has the Corporation ever owned or had an interest in, nor is the Corporation a party to or bound by or subject to any option or other Contract respecting, any real or immovable property other than the Leased Property.
- (b) All of the plant, buildings, structures, erections, improvements, appurtenances and fixtures (in this Section 3.1.25, "buildings and structures") situated on or forming part of the Leased Property are adequate and suitable for the purposes for which they are currently being used and the Corporation has adequate rights of ingress and egress to and from all of the buildings and structures for the operation of the Business in the Ordinary Course.

- (c) None of the buildings and structures situated on or forming part of the Leased Property, or the operation or maintenance thereof, violates any restrictive covenant or any Applicable Law or encroaches on any property owned by others.
- (d) The Leased Property and the current uses thereof by the Corporation comply in all respects with Applicable Laws in all material respects.
- (e) No alterations, repairs, improvements or other work have been ordered, directed or requested in writing under any Applicable Law by any Person with respect to the Leased Property or the buildings and structures or with respect to any of the plumbing, heating, elevating, water, drainage or electrical systems, fixtures or works, which alteration, repair, improvement or other work has not been completed.
- (f) There is nothing owing by the Corporation in respect of the supply to or the use by it of water, gas, electrical power or energy, steam or hot water, or other utilities (except for current accounts the payment dates of which have not yet passed).

3.1.26 Equipment Leases

Schedule 3.1.26 is a complete and accurate list of all of the Equipment Leases. True and complete copies of all Equipment Leases listed in Schedule 3.1.26, including any amendments to those Equipment Leases, have been made available to the Purchaser for inspection, those Equipment Leases are in full force and effect and in good standing with no amendments except as disclosed in Schedule 3.1.26, and there are no outstanding defaults or violations under any of those Equipment Leases on the part of the Corporation or on the part of any other party to any of those Equipment Leases. Except as disclosed in Schedule 3.1.26, there are no current or pending negotiations with respect to the renewal, repudiation or amendment of any of the Equipment Leases listed in Schedule 3.1.26. The entire interest of the Corporation under each of the Equipment Leases is held by the Corporation free and clear of all Liens other than Permitted Liens and all payments due under the Equipment Leases have been duly and punctually paid.

3.1.27 Material Contracts

- (a) Schedule 3.1.27 is a complete and accurate list of all the Material Contracts. For purposes of this Agreement, "**Material Contract**" means any Contract other than a Contract made in the Ordinary Course under which the Corporation has a financial obligation of less than \$100,000 and which can be terminated by the Corporation without the Corporation being required to pay any damages, penalty or other amount by giving not more than 60 days' notice.
- (b) True and complete copies of all the Material Contracts listed in Schedule 3.1.27, including any amendments to those Material Contracts, have been made available to the Purchaser for inspection. The Material Contracts listed in Schedule 3.1.27 are in full force and effect and in good standing with no amendments except as disclosed in Schedule 3.1.27 and there are no outstanding defaults or violations under any of those Material Contracts on the part of the Corporation or, to the knowledge of Boiketlo, on the part of any other party to any of those Material Contracts. Except as disclosed in Schedule 3.1.27, there are no current or pending negotiations with respect to the

renewal, repudiation or amendment of any of the Material Contracts listed in Schedule 3.1.27.

3.1.28 Accounts Receivable

The accounts receivable due or accruing to the Corporation: (a) are reflected in the Financial Statements and the Accounting Records, (b) arose in the Ordinary Course, (c) are bona fide and, (d) subject to the allowance for doubtful accounts that has been reflected in the Financial Statements and Accounting Records, are collectible without defence, set-off or counterclaim.

3.1.29 Intellectual and Industrial Property

- (a) Schedule 3.1.29 contains a complete and accurate list and description of all of the Corporation's Intellectual and Industrial Property and specifies, for each item, whether the Corporation's Intellectual and Industrial Property (including all Intellectual and Industrial Property Rights pertaining thereto) is owned by the Corporation ("**Owned IP**") or whether the Corporation's Intellectual and Industrial Property is used by the Corporation under a license agreement or arrangement from another Person ("**Licensed IP**").
- (b) All of the Owned IP is owned by the Corporation with good title thereto free of all Liens other than Permitted Liens and the Corporation has the unencumbered right to use the Owned IP.
- (c) True and complete copies of all agreements in respect of the Licensed IP listed in Schedule 3.1.29, including any amendments to those license agreements, have been made available to the Purchaser for inspection, and there are no outstanding defaults or violations under those agreements relating to Licensed IP on the part of the Corporation or on the part of any other party or parties to these license agreements and all payments have been made in accordance under these license agreements in accordance with their terms.
- (d) The Corporation has not received any written notice (i) alleging breach of any agreement relating to Licensed IP or (ii) terminating or threatening to terminate any agreement relating to Licensed IP.
- (e) Each agreement relating to Licensed IP is in full force and effect and unamended, except as disclosed in Schedule 3.1.29.

3.1.30 Employees

- (a) Schedule 3.1.30 contains a list of the titles or positions of all Employees with their date of hire and the location of their employment, whether they are actively at work or not and, if not, the reason for the absence and expected return to work date, a list of all written Contracts with Employees, a complete and accurate summary of the terms of all oral Contracts with Employees and a complete and accurate list of the remuneration of, and Employee Benefit Plans applicable to, each Employee. Schedule 3.1.30 also contains a list of all Persons receiving compensation for work or services provided to the Corporation who are not Employees and particulars of their terms of engagement.

- (b) Except as disclosed in Schedule 3.1.30, the Corporation is not a party to or bound by or subject to any Collective Agreement, has not made any commitment to, or conducted any negotiation or discussion with, any labour union or employee association with respect to any future agreement or arrangement, is not required to recognize any labour union or employee association representing its Employees or any agent having bargaining rights for its Employees and, to the knowledge of Boiketlo, there is no current attempt to organize, certify or establish any labour union or employee association with respect to Employees nor has there been any attempt to do so since the date of incorporation of the Corporation.
- (c) No Seller Group Member has a reason to believe that any Employee would terminate his or her employment as a result of or in anticipation of the transactions contemplated by this Agreement. General relations between the Corporation and the Employees are good and there is no present, pending or, to the knowledge of Boiketlo, threatened labour strike, dispute, slowdown or work stoppage.
- (d) The Corporation has no Employee who cannot be dismissed on reasonable notice and is not liable to any Employee or former employee for any damages under any Applicable Law or any agreement or arrangement relating to any employee benefits.
- (e) The Corporation has complied with all Applicable Laws and Orders applicable to it relating to employment of the Employees, including those relating to wages, hours of work, overtime and other employment standards, human rights, collective bargaining, occupational health and safety, workers' hazardous materials, pay equity and workers' compensation. Except as disclosed in Schedule 3.1.30, there are no outstanding claims, complaints or proceedings by any Employee or former employees of the Corporation under any employment standards, human rights, pay equity, occupational health and safety, workplace safety and insurance or any other employment-related statute, and the Corporation has not been advised nor has any knowledge that any such claims, complaints or proceedings may be filed.

3.1.31 Employee Benefit Plans

- (a) As of the date of this Agreement, the Corporation does not have any Employee Benefit Plans.
- (b) The Corporation is not a party to or participant in any pension plan, registered or unregistered, under which the Employees accrue pension benefits and under which benefits are provided to former employees.
- (c) There is no investigation, examination, proceeding, action, suit or claim (other than routine claims for benefits) pending or threatened involving any Employee Benefit Plan, and no facts exist which presently or after notice or lapse of time or both could

reasonably be expected to give rise to any such investigation, examination, proceeding, action, suit or claim (other than routine claims for benefits).

- (d) Neither the execution of this Agreement nor the completion of any of the transactions contemplated by this Agreement will:
 - (i) result in any payment (including bonus, golden parachute, retirement, severance, unemployment compensation, or other benefit or enhanced benefit) becoming payable under any Employee Benefit Plan;
 - (ii) increase any benefits otherwise payable under any Employee Benefit Plan;
 - (iii) entitle any Employee to any job security or similar benefit or any enhanced benefits; or
 - (iv) result in the acceleration of the time of payment or vesting of any benefits otherwise payable under any Employee Benefit Plan, or result in any Employee Benefit Plan becoming terminable other than at the sole and unfettered discretion of the Corporation.

3.1.32 Environmental Matters

- (a) The Corporation has not used any of the Leased Property, or permitted them to be used, to refine, treat, dispose, produce or process Hazardous Substances, except in compliance with Environmental Laws and Environmental Permits held by the Corporation.
- (b) Neither the Corporation nor any other Person responsible under Environmental Laws for acts of the Corporation (i) has been convicted of an offence, fined or otherwise sentenced for non-compliance with any Environmental Laws, (ii) has been investigated or subjected to any Legal Proceeding for non-compliance with any Environmental Law, (iii) is or has been subject to any Order or other sanction requiring investigation or remediation of any real property, or (iv) has settled any Legal Proceeding for non-compliance with any Environmental Law short of conviction in connection therewith.
- (c) The Corporation has not received any notice and there are no facts that could give rise to any notice, that the Corporation is potentially responsible for any remedial or other corrective action or any work, repairs, construction or capital expenditures to be made under any Environmental Law with respect to the Business (including any real property previously owned, leased or used by the Corporation).

3.1.33 Legal Proceedings

There is no Legal Proceeding (whether or not purportedly on behalf of the Corporation) in progress, pending or, to the knowledge of Boiketlo, threatened against or affecting the Corporation before or by any Tribunal. There is no Order outstanding against or affecting the Corporation.

3.1.34 Tax Matters

- (a) The Corporation has duly filed in the prescribed manner and within the prescribed time all material Tax Returns required to be filed by it and such Tax Returns are correct and complete and the Corporation has made complete and accurate disclosure in those Tax Returns and in all materials accompanying those Tax Returns, except in respect of a particular Tax Return to the extent that it may have been modified in a subsequent Tax Return, which itself provides such complete and accurate disclosure. The Corporation has paid all Taxes due and payable, whether or not assessed by the appropriate Governmental Authority, including all Taxes shown on those Tax Returns as being due and payable and all Taxes payable under any assessment or reassessment.
- (b) The Financial Statements reflect all material accrued liabilities for all Taxes which are not yet due and payable and for which Tax Returns are not yet required to be filed. No examination of any Tax Return of the Corporation by a Governmental Authority is currently in progress. There is no Legal Proceeding, investigation, audit, assessment, reassessment or request for information outstanding or threatened against the Corporation with respect to Taxes or any matters under discussion with any Governmental Authority relating to Taxes.
- (c) There are no agreements, waivers or other arrangements providing for an extension of time with respect to any assessment or reassessment of Tax, the filing of any Tax Return or the payment of any Tax by the Corporation.
- (d) The Corporation has withheld from each payment made by it the amount of all Taxes and other deductions required under any applicable Tax Legislation to be withheld therefrom and has remitted all those amounts withheld and paid all instalments of Taxes due and payable before the date of this Agreement to the relevant Governmental Authority within the time prescribed under any applicable Tax Legislation.
- (e) The Purchaser has been provided with copies of all Tax Returns for all financial periods for which the relevant limitation period in any Tax Legislation has not expired, all elections, designations, undertakings, notices of determination of loss, and schedules of the Corporation relating thereto, together with all communications relating thereto from any Governmental Authority under that Tax Legislation, and the response, if any, of the Corporation to that communication. The Purchaser has been provided with true and complete copies of all Contracts, minutes, and any other documents relating to any transaction with any Person who does not deal at arm's-length with the Corporation, which has occurred in any taxation period that remains open for reassessment as indicated above in paragraph (c) of this Section 3.1.34.
- (f) The Corporation has not acquired property or services from or disposed of property or provided services to, a Person with whom it does not deal at arm's length for an amount that is other than the fair market value of such property or services, and has not been deemed to have done so for purposes of any Tax Legislation.

3.1.35 Compliance with Trade Laws

- (a) Each Seller Group Member is aware of Applicable Laws pertaining to trade, including import and export controls, customs laws, international trade laws, economic sanctions, and anti-corruption or anti-bribery laws (collectively, “**Trade Laws**”). The Corporation is in compliance with applicable Trade Laws and none of the Corporation’s past acts or omissions would subject the Purchaser or any of its Affiliates to any liability or loss due to a breach of applicable Trade Laws.
- (b) Except as disclosed in Schedule 3.1.35, the Corporation has not imported, exported or otherwise been involved in any international trade activities.

3.2 Representations and Warranties of GMG in respect of Middleton

GMG represents and warrants to the Purchaser as set out in this Section 3.2 and acknowledges that the Purchaser is relying on those representations and warranties in entering into this Agreement and completing the transactions contemplated by it. No investigations made by or on behalf of the Purchaser will have the effect of waiving, diminishing the scope of, or otherwise affecting any representation or warranty made by GMG.

3.2.1 Incorporation, Qualification and Residency of Middleton

Middleton is a corporation incorporated, existing and in good standing under the laws of the British Virgin Islands. Other than the ownership of any shares in the capital of the Corporation, Middleton does not conduct any business, or own or lease any assets or property. At all relevant times the central management and control of Middleton has been exercised in the British Virgin Islands, and no Governmental Authority has contested nor proposed to contest the jurisdiction in which such central management and control has been exercised nor the residence of Middleton for any purpose.

3.2.2 No Solvency or Reorganization Proceedings

Middleton is not insolvent and no proceedings have been taken or authorized by GMG, Middleton or by any other Person with respect to the bankruptcy, insolvency, liquidation, dissolution or winding up of Middleton or with respect to any amalgamation, merger, consolidation, arrangement, receivership or reorganization of, or relating to, Middleton nor, have any such proceedings been threatened by any other Person.

3.2.3 Validity of Agreement

This Agreement and each of the Closing Documents to which Middleton is or is to become a party, have been or will be duly executed and delivered by Middleton and are or will be legal, valid and binding obligations of Middleton, enforceable against Middleton in accordance with their respective terms, except as 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.

3.2.4 Authorized and Issued Capital

The authorized capital of Middleton consists of 50,000 registered shares of which the Middleton Sale Shares have been duly issued as fully paid and non-assessable shares. All of the Middleton Sale Shares have been issued in compliance with Applicable Laws, including securities laws.

3.2.5 No Other Agreements or Options

Except for the Purchaser's rights under this Agreement, no Person has any written or oral agreement or option or any right or privilege capable of becoming an agreement or option for (i) the purchase or other acquisition of any of the Middleton Sale Shares; or (ii) the purchase, subscription, allotment or issuance of any unissued shares or other securities of Middleton.

3.2.6 No Conflicts

The execution and delivery of and performance by Middleton of this Agreement and of each of the Closing Documents to which it is or is to become a party do not and will not (with or without the giving of notice, the lapse of time or the happening of any other event or condition):

- (a) result in the breach of, or conflict with, or allow any Person to exercise any rights under, or cause Middleton to be bound by any additional or more onerous obligation under, any of the terms or provisions of:
 - (i) the articles, by-laws or any resolutions of the board of directors or shareholders of Middleton; or
 - (ii) any agreement, Contract or commitment, written or oral, to which Middleton is a party, under which Middleton have rights or obligations or by which any of the property or assets of Middleton may be affected;
- (b) result in the breach of, or cause the termination, amendment or revocation of, any Consent or License held by Middleton or necessary to the ownership of the Middleton Sale Shares; or
- (c) result in the violation of any Applicable Law.

3.2.7 Required Regulatory Approvals

Except as disclosed in Schedule 3.2.7, there is no requirement on the part of GMG or Middleton to obtain any Regulatory Approval or make any filing with or give notice to any Governmental Authority in connection with the lawful completion of the transactions contemplated by this Agreement or to maintain all rights and benefits of Middleton under any Contract with a Governmental Authority, Order or License after the Closing Time.

3.2.8 Required Consents

Except as disclosed in Schedule 3.2.8, there is no requirement on the part of GMG or Middleton to obtain any Consent in connection with the lawful completion of the transactions contemplated by this Agreement or to maintain all rights and benefits of Middleton under any Contract, Order or License after Closing.

3.2.9 No Liabilities

Except for liabilities related to the Middleton Bridge Loan, as further described in Schedule 3.2.9, Middleton has no liabilities of any nature whatsoever and no event has occurred or circumstance exists which may give rise after Closing to any liability of any nature whatsoever.

3.2.10 Debt Instruments

Except as disclosed in Schedule 3.2.10, which sets forth a completed and accurate list of all indebtedness of Middleton, Middleton is not a party to or bound by or subject to any Debt Instrument or any agreement, Contract or commitment to create, assume or issue any Debt Instrument, and no Debt Instrument or Lien which Middleton is a party to or bound by or subject to is dependent upon the Guarantee of or any security provided by any other Person. True and complete copies of all Contracts relating to the Debt Instruments listed in Schedule 3.2.10, including any amendments to those Contracts, have been made available to the Purchaser for inspection, those Contracts are in full force and effect and in good standing with no amendments except as disclosed in Schedule 3.2.10 and there are no outstanding defaults or violations under any of those Contracts on the part of Middleton or on the part of any other party to those Contracts.

3.2.11 No Broker

GMG has carried on all negotiations relating to this Agreement and the transactions contemplated by this Agreement without intervention on its behalf of any other party in such a manner as to give rise to any valid claim for a brokerage commission, finder's fee or other like payment against the Corporation, Middleton or the Purchaser.

3.3 Representations and Warranties of the Seller Group

Each Seller Group Member, for and on its own behalf and in respect of itself only, severally, represents and warrants to the Purchaser as set out in this Section 3.3 and acknowledges that the Purchaser is relying on those representations and warranties in entering into this Agreement and completing the transactions contemplated by it.

3.3.1 Incorporation and Qualification of the Seller Group

Such Seller Group Member is a corporation incorporated and existing under the laws of its jurisdiction of incorporation or formation. Such Seller Group Member has all requisite power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby.

3.3.2 No Solvency or Reorganization Proceedings

No proceedings have been taken or authorized by such Seller Group Member or by any other Person with respect to the bankruptcy, insolvency, liquidation, dissolution or winding up of such Seller Group Member or with respect to any amalgamation, merger, consolidation, arrangement,

receivership or reorganization of, or relating to such Seller Group Member nor, to the knowledge of such Seller Group Member, have any such proceedings been threatened by any other Person.

3.3.3 Authorization of Agreement and Sale

The execution and delivery of this Agreement to which such Seller Group Member is a party, and the consummation of the transactions contemplated hereby, have been duly authorized by all requisite action on the part of such Seller Group Member.

3.3.4 Validity of Agreement

This Agreement and each of the Closing Documents to which each Seller Group Member is or is to become a party, have been or will be duly executed and delivered by such Seller Group Member and are or will be legal, valid and binding obligations of such Seller Group Member, enforceable against such Seller Group Member in accordance with their respective terms, except as 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.

3.3.5 Title to Purchased Shares

Except in respect of the pledge by each of Boiketlo and Middleton of the Bophelo Shares held by them, as disclosed in Schedule 3.1.8, (i) Boiketlo holds good and valid title to the Bophelo Sale Shares, free and clear of all Liens other than those restrictions on transfer, if any, stated in the articles of the Corporation; and (ii) GMG holds good and valid title to the Middleton Sale Shares, free and clear of all Liens other than those restrictions on transfer, if any, stated in the articles of Middleton. On Closing, the Purchaser shall have good title to the Bophelo Sale Shares and the Middleton Sale Shares, free and clear of all Liens, other than Liens granted by the Purchaser.

3.3.6 No Other Agreements or Options

Except for the Purchaser's rights under this Agreement, and in respect of the pledge by each of Boiketlo and Middleton of the Bophelo Shares held by them, as disclosed in Schedule 3.1.8, no Person has any written or oral agreement or option or any right or privilege capable of becoming an agreement or option for (i) the purchase or other acquisition of any of the Bophelo Shares or the Middleton Sale Shares; (ii) the purchase, subscription, allotment or issuance of any unissued shares or other securities of the Corporation or Middleton; or (iii) other than in the Ordinary Course, the purchase or other acquisition from the Corporation or Middleton of any of their respective undertakings, operations, property or assets.

3.3.7 No Conflicts

The execution and delivery of and performance by each Seller Group Member of this Agreement and of each of the Closing Documents to which it is or is to become a party do not and will not (with or without the giving of notice, the lapse of time or the happening of any other event or condition):

- (a) result in the breach of, or conflict with, or allow any Person to exercise any rights under, or cause any Seller Group Member to be bound by any additional or more onerous obligation under, any of the terms or provisions of:

- (i) the articles, by-laws or any resolutions of the board of directors or shareholders of such Seller Group Member; or
 - (ii) except in respect of the pledge by each of Boiketlo and Middleton of the Bophelo Shares held by them, as disclosed in Schedule 3.1.8, any Contract to which such Seller Group Member is a party, under which such Seller Group Member has rights or obligations or by which the ownership of the Purchased Shares may be affected; or
- (b) result in the violation of any Applicable Law.

3.3.8 Existing Indebtedness

Except as disclosed in Schedule 3.3.8, no Seller Group Member has any claim for indebtedness against the Corporation or Middleton.

3.3.9 Legal Proceedings

There is no Legal Proceeding in progress, pending, or threatened, against or affecting any Seller Group Member, affecting adversely the ability of such Seller Group Member to enter into this Agreement or perform its obligations under this Agreement, or affecting the title of such Seller Group Member to any of the Purchased Shares, at law or in equity or before or by any Tribunal and, to the knowledge of such Seller Group Member, there are no grounds on which any such Legal Proceeding might be commenced with any reasonable likelihood of success nor is there any Order outstanding against or affecting such Seller Group Member which, in any such case, affects adversely or might affect adversely the ability of such Seller Group Member to enter into this Agreement or to perform its obligations under this Agreement.

3.3.10 No Broker

The Seller Group has carried on all negotiations relating to this Agreement and the transactions contemplated by this Agreement without intervention on its behalf of any other party in such a manner as to give rise to any valid claim for a brokerage commission, finder's fee or other like payment against the Corporation or the Purchaser.

3.4 Representations and Warranties of the Purchaser

The Purchaser represents and warrants to the Seller Group as set out in this Section 3.4 and acknowledges that the Seller Group is relying on these representations and warranties in entering into this Agreement and completing the transactions contemplated by it.

3.4.1 Incorporation and Qualification of the Purchaser

The Purchaser is a corporation incorporated and existing under the laws of the Province of Ontario. The Purchaser has the corporate power and capacity to own, lease, use and operate its property, carry on its business as now being conducted and intended to be conducted by it and enter into and perform its obligations under this Agreement and each of the Closing Documents to which it is or is to become a party. The Purchaser is registered, licensed or otherwise qualified to carry on its business and is in good standing in all respects under the laws of each jurisdiction in which it owns or leases real property and each other jurisdiction in which the conduct of its

business or the ownership of its properties requires such qualification or authorization, except pursuant to U.S. Cannabis Laws or where failure to be so registered, licensed, qualified or in good standing has not had, or would reasonably be expected to have, a Material Adverse Effect in respect of the Purchaser.

3.4.2 No Solvency or Reorganization Proceedings

The Purchaser is not insolvent and no proceedings have been taken or authorized by the Purchaser or by any other Person with respect to the bankruptcy, insolvency, liquidation, dissolution or winding up of the Purchaser or with respect to any amalgamation, merger, consolidation, arrangement, receivership or reorganization of, or relating to, the Purchaser nor, to the knowledge of the Purchaser, have any such proceedings been threatened by any other Person.

3.4.3 Authorization of Agreement and Purchase by Purchaser

The execution and delivery of, and performance by the Purchaser of, this Agreement and each of the Closing Documents to which it is or is to become a party and the completion of the transactions contemplated by them have been duly authorized by all necessary corporate action on behalf of the Purchaser.

3.4.4 Validity of Agreement

This Agreement and each of the Closing Documents to which the Purchaser is or is to become a party have been or will be duly executed and delivered by the Purchaser and are or will be legal, valid and binding obligations of the Purchaser, enforceable against it in accordance with their respective terms, except as 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.

3.4.5 Authorized and Issued Share Capital

The authorized capital of the Purchaser consists of an unlimited number of common shares, of which 252,555,438 are issued and outstanding, and an unlimited number of convertible class B restricted voting shares, of which none are issued and outstanding. Except as disclosed in Schedule 3.4.5, all such issued and outstanding shares of the Purchaser has been duly issued as fully paid and non-assessable shares, and have been issued in compliance with Applicable Laws.

3.4.6 No Conflicts

The execution and delivery of and performance by the Purchaser of this Agreement and each of the Closing Documents to which it is or is to become a party do not and will not (with or without the giving of notice, the lapse of time or the happening of any other event or condition):

- (a) result in the breach of, or conflict with, or allow any Person to exercise any rights under, or cause the Purchaser to be bound by any additional or more onerous obligation under, any of the terms or provisions of:
 - (i) the articles, by-laws or any resolutions of the board of directors or shareholders of the Purchaser; or

- (ii) any Contract to which the Purchaser is a party or under which it has rights or obligations or by which any of the property or assets of the Corporation may be affected, except as would not reasonably be expected to have a Material Adverse Effect in respect of the Purchaser;
- (b) result in the breach of, or cause the termination, amendment or revocation of, any Consent or License held by the Purchaser, except as would not reasonably be expected to have a Material Adverse Effect in respect of the Purchaser; or
- (c) other than in respect of U.S. Cannabis Laws, result in the violation of any Applicable Law, except as would not reasonably be expected to have a Material Adverse Effect in respect of the Purchaser.

3.4.7 Required Regulatory Approvals

Except for any approval required pursuant to the NEO Exchange Listing Manual, there is no requirement on the part of the Purchaser to obtain any Regulatory Approval or make any filing with or give notice to any Governmental Authority in connection with the lawful completion of the transactions contemplated by this Agreement.

3.4.8 Required Consents

There is no requirement on the part of the Purchaser to obtain any Consent in connection with the lawful completion of the transactions contemplated by this Agreement or to maintain all material rights and benefits of the Purchaser after the Closing Time under any Contract with a Governmental Authority, Order or License to which the Purchaser is a party, other than those Consents where any failure to obtain would not have a Material Adverse Effect.

3.4.9 Financial Statements

The Purchaser Financial Statements have been prepared in accordance with IFRS and present fairly, in all material respects:

- (a) the assets, liabilities and financial condition of the Purchaser; and
- (b) the revenues, earnings and results of operations of the Purchaser,

in each case as of the date and throughout the period indicated. True, correct and complete copies of the Purchaser Financial Statements are publicly available online via the System for Electronic Document Analysis and Retrieval (SEDAR) (www.sedar.com).

3.4.10 Undisclosed Liabilities

The Purchaser 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 Purchaser Financial Statements, other than liabilities, obligations, indebtedness and commitments in respect of trade

or business obligations incurred after December 31, 2018 in the Ordinary Course and that do not have a Material Adverse Effect.

3.4.11 Public Filings

The Purchaser has filed all documents or information required to be filed by it under Applicable Laws since October 1, 2018 (the "**Purchaser Public Documents**"). None of the Purchaser Public Documents, as of their respective dates, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. All of the Purchaser Public Documents, as of their respective dates (and as of the dates of any amendments thereto), complied as to both form and content in all material respects with the requirements of Applicable Laws or were amended on a timely basis to correct deficiencies identified by any securities regulatory authority. All of the Purchaser Public Documents are publicly available on SEDAR. The Purchaser has not filed any confidential material change report with any securities regulatory authority that at the date hereof remains confidential.

3.4.12 Compliance with Applicable Laws

Other than U.S. Cannabis Laws or as disclosed by Halo in writing to the Seller Group, the Purchaser has conducted and is conducting its business and operates and maintains the properties and assets used in its business in compliance with Applicable Laws in all material respects. The Purchaser has not received any notice of any alleged violation of Applicable Laws that has not been remedied or rectified and, to the knowledge of the Purchaser, there are no facts that could give rise to a notice of non-compliance by the Purchaser with Applicable Laws other than in respect of U.S. Cannabis Laws or as disclosed by Halo in writing to the Seller Group.

3.4.13 Stock Exchange Compliance

The Purchaser is in compliance in all material respects with the applicable listing and corporate governance rules and regulations of the NEO. The Purchaser is not subject to any cease trade or other Order of the NEO, any Governmental Authority, and, to the knowledge of the Purchaser, no investigation or other proceedings involving the Purchaser that may operate to prevent or restrict trading of any securities of the Purchaser are currently in progress or pending before the NEO or any Governmental Authority. The Halo Shares to be issued in connection with the transactions contemplated herein are eligible to and, following Closing will, be listed and posted for trading on the NEO and will not be subject to any hold or restricted period under the rules and policies of the NEO.

3.4.14 Reporting Issuer Status

The Purchaser is a reporting issuer in each of the provinces of Canada (other than in Quebec) and is not in default under the securities laws of any such province of Canada.

3.4.15 Halo Shares

The Halo Shares to be issued in connection with the transactions contemplated herein have been, or prior to the Closing Time will be, duly and validly authorized for issuance pursuant to this Agreement, and when issued and delivered by the Purchaser pursuant to this Agreement, will be validly issued as fully paid and non-assessable shares, free and clear of all Liens.

3.4.16 Securities Law Matters

- (a) Each of Boiketlo, GMG, 1942 CP and Seedy (collectively, the “**Halo Share Recipients**” and each one of them, a “**Halo Share Recipient**”), for and on behalf of itself, represents and warrants to the Purchaser as of the Closing Date as follows:
- (i) each Halo Share Recipient is acquiring the Halo Shares with investment intent and not with a view to distribution (as defined in the *Securities Act* (Ontario)) and is aware that the Halo Shares have not been qualified for distribution by a prospectus in Canada; and
 - (ii) each Halo Share Recipient is resident at the address set forth in Section 9.1 and is not acquiring the Halo Shares as nominee or agent or otherwise for any other person.
- (b) Each Party (other than the Purchaser) covenants that it shall from time to time, before or after the Closing Time, assist, provide information (including, but not limited to financial information), and cooperate with the Purchaser as may be reasonably necessary or desirable in order to complete all required post-Closing securities filings within the prescribed time period, including, but not limited to: (i) a business acquisition report (as required pursuant to Part 8 of the National Instrument 51-102 – *Continuous Disclosure Obligations*) and (ii) any post-trade reports.

3.4.17 Legal Proceedings

There is no Legal Proceeding (whether or not purportedly on behalf of the Purchaser) in progress, pending or, to the knowledge of the Purchaser, threatened against or affecting the Purchaser, affecting adversely the ability of such Purchaser to enter into this Agreement or perform its obligations under this Agreement, at law or in equity or before or by any Tribunal and, to the knowledge of the Purchaser, there are no grounds on which any such Legal Proceeding might be commenced with any reasonable likelihood of success nor is there any Order outstanding against or affecting the Purchaser which, in any such case, affects adversely or might affect adversely the ability of the Purchaser to enter into this Agreement or to perform its obligations under this Agreement.

3.4.18 No Broker

The Purchaser has carried on all negotiations relating to this Agreement and the transactions contemplated by this Agreement without intervention on its behalf of any other party in such a manner as to give rise to any valid claim for a brokerage commission, finder's fee or other like payment against the Seller Group.

Article 4 **COVENANTS OF THE PARTIES**

4.1 Interim Period Covenants of the Seller Group and the Boiketlo Principals

The Seller Group and the Boiketlo Principals, as applicable, hereby covenant as set out in this Section 4.1.

4.1.1 Consents and Regulatory Approvals

Commencing immediately after the date of this Agreement, the Seller Group shall make commercially reasonable efforts to obtain, at or prior to the Closing Time, the Consents and Regulatory Approvals listed on Schedule 4.1.1.

4.1.2 Conduct of the Corporation

During the Interim Period, except as otherwise contemplated in this Agreement or as set out in Schedule 4.1.2, or except with the Purchaser's prior written consent (such consent not to be unreasonably withheld, delayed or conditioned), Boiketlo covenants that the Corporation shall:

- (a) conduct the Business in the Ordinary Course;
- (b) except as required by Applicable Laws or the terms of any Contract to which the Corporation is a party, not increase the rate of wages or bonuses of any Employees;
- (c) except as required by Applicable Laws or the terms of any Contract to which the Corporation is a party, not amend or modify in any material respect, any Employee Benefit Plan applicable to the Employees outside the Ordinary Course;
- (d) if, during the Interim Period, any Employee Benefit Plan becomes required to be maintained for the benefit of any Employee pursuant to Applicable Law, put in place, maintain and fund such Employee Benefit Plan in accordance with such Applicable Law;
- (e) pay, satisfy and discharge the obligations and liabilities of the Corporation in the Ordinary Course;
- (f) except as contemplated by and for purposes of giving effect to the Louisa \$1m Loan Agreement, not become a party to or bound by any new agreement or arrangement with any Interested Person or amend or concur in the amendment of any such existing agreement or arrangement or make or authorize any payment to or for the benefit of any Interested Person;
- (g) not make any capital expenditure (except in the Ordinary Course) or authorize any new capital expenditures in excess of \$100,000;
- (h) not take any step to dissolve, wind-up or otherwise affect its continuing corporate existence or amalgamate or merge with any Person or amend the articles or by-laws of the Corporation;
- (i) except in connection with the Pre-Closing Debt Transfer, not declare or pay any dividend or other distribution or return of capital on any of its outstanding securities or redeem, purchase or otherwise acquire any of its outstanding securities;
- (j) not purchase, sell or lease any property or assets other than in the Ordinary Course;
- (k) not incur any indebtedness or liabilities other than in the Ordinary Course or authorize any new indebtedness;

- (l) not terminate, transfer or modify, or grant any rights under, any Intellectual and Industrial Property Rights other than in the Ordinary Course; and
- (m) comply with Applicable Laws in all material respects.

4.1.3 Conduct of Middleton

During the Interim Period, except as otherwise contemplated in this Agreement or as set out in Schedule 4.1.3, or except with the Purchaser's prior written consent (such consent not to be unreasonably withheld, delayed or conditioned), GMG covenants that Middleton shall:

- (a) not become a party to or bound by any new agreement or arrangement with any Interested Person or amend or concur in the amendment of any such existing agreement or arrangement or make or authorize any payment to or for the benefit of any Interested Person;
- (b) not make any capital expenditure;
- (c) not take any step to dissolve, wind-up or otherwise affect its continuing corporate existence or amalgamate or merge with any Person or amend the articles or by-laws of Middleton;
- (d) not declare or pay any dividend or other distribution or return of capital on any of its outstanding securities or redeem, purchase or otherwise acquire any of its outstanding securities;
- (e) not purchase, sell or lease any property or assets;
- (f) not incur any indebtedness or liabilities or authorize any new indebtedness; and
- (g) comply with Applicable Laws in all material respects.

4.1.4 Tax Matters

During the Interim Period, Boiketlo, in respect of the Corporation, and GMG, in respect of Middleton, covenants that the Corporation and Middleton shall:

- (a) duly pay, within the prescribed time, all Taxes that become due and payable on or before the Closing Date;
- (b) withhold from each payment made by the Corporation and Middleton, as applicable, the amount of all Taxes and other deductions required under any applicable Tax Legislation to be withheld therefrom and pay all those amounts to the relevant Governmental Authority within the time prescribed under any applicable Tax Legislation;
- (c) collect from each payment received by the Corporation and Middleton, as applicable, the amount of all Taxes required to be collected under any applicable Tax Legislation to be collected thereon and pay all those amounts to the relevant Governmental Authority within the time prescribed under any applicable Tax Legislation;

- (d) refrain from entering into any arrangements to provide for an extension of time with respect to any assessment or reassessment of Tax, the filing of any Tax Return or the payment of any Tax by the Corporation and Middleton, as applicable, without the prior written consent of the Purchaser;
- (e) prepare any Tax Return required to be filed on or prior to the Closing Date correctly and completely setting out the required information, consistently with past practice and files any such Tax Return required to be filed within the prescribed time; and
- (f) except as may be required by IFRS or Applicable Laws, not make any material change in the Tax, financial or accounting policies or practices applied in the preparation of the Financial Statements, including any material change in credit, collection or payment policies, procedures or practices or the method of determining reserves.

4.1.5 Insurance Coverage

During the Interim Period and, in any event, prior to Closing, Boiketlo shall (i) obtain general commercial liability insurance coverage adequate to cover the Corporation's material property and assets and to protect the Business in an amount not less than \$500,000, and on such terms as are satisfactory to the Purchaser, acting reasonably, (ii) obtain worker's compensation insurance as required by Applicable Laws, and (iii) put in place, maintain and fund any other Employee Benefit Plans as required by Applicable Laws.

4.1.6 Actions to Satisfy Closing Conditions

During the Interim Period, each Seller Group Member shall take all such actions as are within their power to control, and use commercially reasonable efforts to cause other actions to be taken which are not within their power to control, to ensure compliance with all of the conditions set out in Section 5.1, including ensuring that during the Interim Period and on the Closing Date, there is no incorrectness in or breach of any of their respective representations and warranties.

4.1.7 Notice of Untrue Representation and Warranty

During the Interim Period, each Seller Group Member shall notify the Purchaser in writing as soon as practically possible after it becomes aware of the fact that any representation or warranty made by such Person contained in this Agreement or any Closing Document becomes untrue or incorrect in any material respect. Any such notification will set out particulars of the untrue or incorrect representation or warranty and details of any actions being taken by the Seller Group to rectify the matter. In such event, unless the Purchaser exercises its right to terminate this Agreement pursuant to Section 7.1(a) (in which case, for certainty, the Purchaser shall retain all rights, remedies or causes of action in the manner described in Section 7.2(b)), such notice provided by such Seller Group Member to the Purchaser shall be deemed to (i) have amended the applicable Schedule, (ii) have qualified the applicable representation or warranty and (iii) have cured any misrepresentation or breach of warranty that otherwise might have existed by reason of such development.

4.2 Interim Period Covenants of the Purchaser

The Purchaser hereby covenants as set out in this Section 4.2.

4.2.1 Actions to Satisfy Closing Conditions

During the Interim Period, the Purchaser shall take all such actions as are within its power to control, and use its commercially reasonable efforts to cause other actions to be taken which are not within its power to control, to ensure compliance with all of the conditions set out in Section 5.2, including ensuring that during the Interim Period and on the Closing Date, there is no incorrectness in or breach of any of its representations and warranties.

4.2.2 Notice of Untrue Representation and Warranty

During the Interim Period, the Purchaser shall notify the Seller Group in writing as soon as practically possible after it becomes aware of the fact that any representation or warranty made by it contained in this Agreement or any Closing Document becomes untrue or incorrect. Any such notification will set out particulars of the untrue or incorrect representation or warranty and details of any actions being taken by the Purchaser to rectify the matter. In such event, unless the Seller Group exercises its right to terminate this Agreement pursuant to Section 7.1(a) (in which case, for certainty, the Seller Group shall retain all rights, remedies or causes of action in the manner described in Section 7.2(b)), such notice provided by the Purchaser to the Seller Group shall be deemed to (i) have amended the applicable Schedule, (ii) have qualified the applicable representation or warranty and (iii) have cured any misrepresentation or breach of warranty that otherwise might have existed by reason of such development.

4.2.3 Consents and Regulatory Approvals

Commencing immediately after the date of this Agreement, the Purchaser shall make commercially reasonable efforts to obtain, at or prior to the Closing Time, any approvals required pursuant to the NEO Exchange Listing Manual.

4.2.4 Stock Exchange Listing

The Purchaser shall ensure the listing and posting for trading on the NEO of the Halo Shares to be issued pursuant to the transactions contemplated herein, subject only to satisfaction of customary listing conditions of the NEO (if any).

4.2.5 Conduct of the Purchaser

During the Interim Period, except as otherwise contemplated in this Agreement, or except with the Seller Group's prior written consent (such consent not to be unreasonably withheld, delayed or conditioned), the Purchaser covenants that it shall:

- (a) except for any activity or undertaking (including with respect to the completion of any acquisition or disposition) in respect of the cultivation, processing, distribution or sale of cannabis or any products derived therefrom or ancillary thereto, conduct its business in the Ordinary Course;
- (b) not split, consolidate or reclassify any of its outstanding shares or other securities or undertake any other capital reorganization, or declare, set aside or pay any dividends on, make any other distributions or return capital on or in respect of any of its outstanding shares or other securities or reduce stated capital in respect of any of its outstanding shares or other securities outside of the Ordinary Course;

- (c) not amend its articles or by-laws or other constating documents in any manner that would have a material and adverse impact on the value of the Halo Shares;
- (d) not adopt a plan of liquidation or resolutions providing for the liquidation or dissolution of the Purchaser;
- (e) not take any action, or permit any action to be taken or not taken, inconsistent with the provisions of this Agreement or that would reasonably be expected to materially impede the completion of the transactions contemplated hereby; and
- (f) comply with Applicable Laws (other than U.S. Cannabis Laws) in all material respects.

4.3 Additional Covenants of the Parties

Each Party hereby covenants as set out in this Section 4.3.

4.3.1 Confidentiality

- (a) Save to the extent that disclosure is necessary for a Party to enforce its rights in terms of this Agreement, obtain advice or any approval or otherwise, subject to Section 4.3.1(b), in accordance with Applicable Laws, during the Interim Period and for a period of two (2) years from the Closing Date, each Party shall keep confidential the terms and conditions of this Agreement and any trade secrets, know-how or confidential, personal or proprietary information and any financial or business documents or information (collectively, the "**Information**") received by it from any other Party, and the receiving Party shall not disclose any Information to any third party, except where such disclosure is required by Applicable Laws, it being understood that the Purchaser may disclose Information to its Affiliates and the Purchaser's Advisors. The Purchaser shall use its commercially reasonable efforts to ensure that the Purchaser's Advisors keep confidential any Information disclosed to them.
- (b) If a Party or any of its Representatives is requested or required by Applicable Laws to disclose any Information, that Party shall, without unreasonable delay and provided it is lawful to do so, notify the other Party of the request or requirement before any disclosure is made and provide the other Party with a reasonable opportunity to seek an appropriate protective order.

4.3.2 Ancillary Agreements

The parties shall cooperate fully in good faith with each other and their respective Representatives in order to negotiate and execute the Escrow Agreement and the Non-Competition Agreements. For certainty, and subject to Section 2.4(d), the Escrow Agreement shall be executed by the applicable Parties and the Escrow Agent, as applicable, no later than the date that is three (3) weeks from (i) the date of this Agreement; or (ii) the date that the Escrow Agent is appointed (as agreed to by the Purchaser and the Seller Group), whichever date is later, and the Non-Competition Agreements shall be executed by the applicable Parties no later than the date that is three (3) weeks from the date of this Agreement.

4.3.3 Cooperation

The Parties shall cooperate fully in good faith with each other and their respective Representatives in connection with any steps required to be taken as part of their respective obligations under this Agreement.

4.4 Post-Closing Covenants of the Parties

Each Party, as applicable, hereby covenants as set out in this Section 4.4.

4.4.1 Restraint of Trade

Each Seller Group Member shall be restrained, for a period not exceeding five (5) years from the Closing, from undertaking any business directly related to the cultivation and or extraction of cannabis within the Kingdom of Lesotho, subject to the following exceptions:

- (a) security services;
- (b) property development; and
- (c) supply of materials and financial services.

4.4.2 Post-Closing Acquisition of Middleton Bridge Loan

Following Closing, on a date and on terms to be agreed upon by GMG and the Purchaser, the Purchaser will acquire from GMG, and GMG will sell to the Purchaser, the Middleton Bridge Loan Claim for an aggregate number of Halo Shares equal to: (i) the principal amount owing under the Middleton Bridge Loan at Closing, together with any interest and redemption premium payable in connection therewith, being an aggregate amount equal to \$2,400,000, divided by (ii) the volume weighted average trading price of Halo Shares for the twenty (20) trading days immediately preceding the trading day prior to the applicable acquisition date.

4.4.3 Post-Closing Appointment of Mojela

Subject to any customary approvals, including any approvals of applicable securities regulators or any other Governmental Authority, as soon as practicable following Closing, the Purchaser will cause Mojela to be appointed as chairman and a non-executive director of the Purchaser.

4.4.4 Post-Closing Filings

Following Closing, the Purchaser shall complete: (i) the filing of the materials required pursuant to Section 7.07 of the NEO Listing Manual; and (ii) subject to compliance by the Parties (other than the Purchaser) with Section 3.4.16, the filing of a business acquisition report if required by Part 8 of National Instrument 51-102 – *Continuous Disclosure Obligations* and any required post-trade reports.

4.4.5 Securities Law Matters

The Purchaser shall use commercially reasonable efforts to stay a reporting issuer in good standing in each of the provinces of Canada in which it is a reporting issuer or the equivalent as

of the date hereof (the “**Reporting Jurisdictions**”) and maintain the listing of the Halo Shares on the NEO (or other recognized Canadian stock exchange) for a period of 12 months following the Closing, provided that this covenant shall not prevent the Purchaser from completing any transaction which would result in the Purchaser ceasing to be a reporting issuer or the delisting of the Halo Shares from the NEO or such other recognized stock exchange so long as the holders of Halo Shares receive securities of an entity which is listed on a recognized stock exchange or cash, or the holders of Halo Shares have approved the transaction in accordance with the requirements of applicable corporate and securities laws and the rules and policies of the NEO or such other recognized stock exchange on which the Halo Shares are then listed.

Article 5

CONDITIONS OF CLOSING

5.1 Conditions for the Benefit of the Purchaser

The transactions contemplated by this Agreement, including the sale and purchase of the Purchased Shares, are subject to the satisfaction of, or compliance with, at or before the Closing Time, each of the conditions in this Section 5.1, each of which is for the exclusive benefit of the Purchaser and may be waived, subject to Applicable Law, in whole or in part, by the Purchaser in its sole discretion.

5.1.1 Representations, Warranties and Covenants of the Seller Group

- (a) All representations and warranties of the Seller Group contained in this Agreement will have been true and correct in all material respects on the date of this Agreement and will be true and correct in all material respects at the Closing Time with the same force and effect as if those representations and warranties had been made at and as of that time, it being understood that all representations and warranties of the Seller Group that contain an express materiality, knowledge or similar qualification will have been true and correct in all respects on the date of this Agreement and will be true and correct in all respects at the Closing Time with the same force and effect as if those representations and warranties had been made at and as of that time, and each Seller Group Member will have executed and delivered a certificate to that effect.
- (b) The Seller Group will have performed or complied with all obligations and covenants contained in this Agreement to be performed or complied with by the Seller Group at or prior to the Closing Time, and each Seller Group Member will have executed and delivered a certificate to that effect.

5.1.2 Deliveries of the Seller Group and the Boiketlo Principals

At the Closing Time, the Seller Group and the Boiketlo Principals, as applicable, will have delivered to the Purchaser the following:

- (a) certified copies of (i) the articles and by-laws of each of the Corporation and Middleton, (ii) resolutions of the board of directors and/or shareholders of each Seller Group Member authorizing the entering into and completion of the transactions contemplated by this Agreement, and (iii) a list of the directors and officers of each Seller Group Member authorized to sign agreements together with their specimen signatures;

- (b) the Escrow Agreement duly executed by the Seller Group;
- (c) the certificates referred to in Sections 5.1.1(a) and 5.1.1(b);
- (d) releases in favour of the Purchaser, the Corporation and Middleton from each of the directors and officers of the Corporation and Middleton specified in Schedule 5.1.2(d) with respect to all claims against the Corporation or Middleton up to the Closing Time, in form and substance satisfactory to the Purchaser, acting reasonably;
- (e) the Non-Competition Agreements duly executed by each of the Boiketlo Principals;
- (f) the waiver and release documentation referred to in Section 5.1.6, in form and substance satisfactory to the Purchaser, acting reasonably;
- (g) the monthly management accounts for the Corporation generated during the Interim Period through to Closing, and any other financial statements or analysis as may be required by applicable securities laws;
- (h) releases in favour of the Corporation and Middleton, as applicable, from each of the 3rd Party Lenders and Boiketlo in respect of all claims or debts owing in respect of the 3rd Party Debt Claims and the \$1.1m Debt Claim, respectively, in form and substance satisfactory to the Purchaser, acting reasonably; and
- (i) all other customary documentation and evidence for transactions of this nature reasonably requested by the Purchaser in order to establish the due authorization and completion of and effectively implement the transactions contemplated by this Agreement.

5.1.3 Indebtedness

- (a) Except for amounts owing under the \$1.1m Debt Claim, the Louisa \$1m Loan Agreement and the 3rd Party Debt Claims, the total debt and liabilities of the Corporation immediately prior to Closing shall be comprised solely of trade payables arising in the Ordinary Course (excluding any contingent liabilities) and amounts owing under the Bophelo Bridge Loan (inclusive of any redemption premium payable), and the aggregate amount owing in respect of such trade payables and the Bophelo Bridge Loan shall not exceed the Target Net Debt.
- (b) There shall be no debt or liabilities owing by Middleton at Closing, other than in respect of the Middleton Bridge Loan.

5.1.4 No Convertible Securities

The Corporation shall have no outstanding convertible securities (including vested or unvested employee stock options or convertible debt).

5.1.5 No Material Adverse Change or Effect

Since the date of this Agreement, there will have been no Material Adverse Change or Material Adverse Effect in respect of the Corporation.

5.1.6 Consents and Regulatory Approvals

All Consents and Regulatory Approvals described in Schedule 4.1.1 will have been made, given or obtained on terms satisfactory to the Purchaser. For certainty, in respect of the pledges and pre-emptives disclosed in Schedule 4.1.1,

- (a) Bioketlo shall waive and release, and GMG shall waive and release, any and all rights, directly or indirectly, to pre-emption or options, as applicable, that they may respectively have in respect of the Bophelo Shares, as applicable, howsoever arising, including by operation of Applicable Law or pursuant to the Corporation's statutory documents, and such Parties shall have delivered to the Purchaser documentation evidencing such waiver and release; and
- (b) GMG shall waive and release from the pledges and the cessions the Bophelo Sale Shares, the Middleton Sale Shares and each of the loan claims pledged and ceded to GMG as security.

5.1.7 No Legal Proceedings

No Order will have been made and no Legal Proceeding will have been commenced or will be pending or threatened against any Party for the purpose of enjoining, restricting or prohibiting the completion of the transactions contemplated by this Agreement.

5.2 Conditions for the Benefit of the Seller Group and the 3rd Party Lenders

The transactions contemplated by this Agreement, including the sale and purchase of the Acquired Interests, are subject to the satisfaction of, or compliance with, at or before the Closing Time, each of the conditions in this Section 5.2, each of which is for the exclusive benefit of the Seller Group and the 3rd Party Lenders and may be waived, subject to Applicable Law, in whole or in part, by the Seller Group and the 3rd Party Lenders in their sole discretion.

5.2.1 Representations, Warranties and Covenants of the Purchaser

- (a) All representations and warranties of the Purchaser contained in this Agreement will have been true and correct in all material respects on the date of this Agreement and will be true and correct in all material respects at the Closing Time with the same force and effect as if those representations and warranties had been made at and as of that time, it being understood that all representations and warranties of the Purchaser that contain an express materiality, knowledge or similar qualification will have been true and correct in all respects on the date of this Agreement and will be true and correct in all respects at the Closing Time with the same force and effect as if those representations and warranties had been made at and as of that time, and the Purchaser will have each executed and delivered a certificate of a senior officer of such entity to that effect.
- (b) The Purchaser will have performed or complied with all obligations and covenants contained in this Agreement to be performed or complied with by it at or prior to the Closing Time, and the Purchaser will have executed and delivered a certificate of a senior officer of such entity to that effect.

5.2.2 Deliveries of the Purchaser

At the Closing Time, the Purchaser will have delivered to the Seller Group or the 3rd Party Lenders, as applicable, the following:

- (a) certified copies of (i) the articles and by-laws of the Purchaser, (ii) the resolutions of the board of directors and of the Purchaser authorizing the entering into and completion of the transactions contemplated by this Agreement, and (iii) a list of the directors and officers authorized to sign agreements together with their specimen signatures;
- (b) a certificate of status, compliance, good standing or like certificate with respect to the Purchaser, issued by the appropriate Governmental Authority in its jurisdiction of incorporation;
- (c) a written statement setting out the calculation and total number of Halo Shares to be issued to each Halo Share Recipient;
- (d) the Escrow Agreement duly executed by the Purchaser;
- (e) the certificates referred to in Sections 5.2.1(a) and 5.2.1(b); and
- (f) all other customary documentation and evidence for transactions of this nature reasonably requested by the Seller Group and the 3rd Party Lenders in order to establish the due authorization and completion of and effectively implement the transactions contemplated by this Agreement.

5.2.3 Consents and Regulatory Approvals

All Consents and Regulatory Approvals described in Schedule 4.2.3 will have been made, given or obtained on terms satisfactory to the Seller Group.

5.2.4 No Legal Proceedings

No Order will have been made and no Legal Proceeding will have been commenced or will be pending or threatened against any Party for the purpose of enjoining, restricting or prohibiting the completion of the transactions contemplated by this Agreement.

5.3 Waiver of Conditions

Any Party may waive, in whole or in part, at any time by notice in writing to the other Party, any condition in Section 5.1 or Section 5.2, which is for its benefit. No waiver by a Party of any condition, in whole or in part, will operate as a waiver of any other condition or of that Party's rights of termination in the event of non-fulfilment of any other condition, in whole or in part. The waiver, in whole or in part, by a Party of any condition requiring the accuracy of a representation or warranty or the performance of any covenant will be without prejudice to the right of that Party to indemnification under Article 8 based upon that representation or warranty or covenant. For the avoidance of doubt, if the non-fulfilment of any of the conditions in this Section 5.1 would lead to non-compliance with Applicable Law, such condition shall not be capable of waiver by the Purchaser.

Article 6
CLOSING ARRANGEMENTS

6.1 Date, Place and Time of Closing

The Closing will take place at the Closing Time at the offices of Dentons Canada LLP, 77 King Street West, Suite 400, TD Centre, Toronto, Ontario M5K 0A1, or at such other place, on such other date and at such other time as may be agreed upon in writing by the Parties, provided that the Parties agree that the Closing shall be with effect as at the Closing Time.

6.2 Deliveries at the Closing

At the Closing Time, subject to satisfaction of all the conditions in Article 5 that have not been waived in writing by the Purchaser or the Seller Group, as applicable,

- (a) the Seller Group shall deliver to the Purchaser share certificates representing the Purchased Shares, duly endorsed in blank for transfer, or accompanied by irrevocable security transfer powers of attorney duly executed in blank;
- (b) the Seller Group shall deliver those Closing Documents as are required to be delivered by the Seller Group or the Seller Group's counsel under this Agreement;
- (c) the Purchaser shall, via a Direct Registration System statement:
 - (i) issue the Halo Purchase Shares in accordance with the payment provisions set out in Section 2.3 (including, for certainty, the Seller Group Arrangement Fee Shares);
 - (ii) issue and deposit the Escrow Shares with the Escrow Agent pursuant to Section 2.4 and the Escrow Agreement; and
 - (iii) issue the Halo Arrangement Fee Shares to GMG; and
- (d) the Purchaser shall deliver those Closing Documents as are required to be delivered by the Purchaser or Purchaser's counsel under this Agreement.

Article 7
TERMINATION

7.1 Termination Rights

- (a) Subject to Section 7.2, this Agreement may be terminated by notice in writing given at or prior to the Closing Time:
 - (i) by the Purchaser, if any of the conditions in Section 5.1 has not been satisfied at the Closing Time, or if it becomes apparent that any such condition cannot be satisfied at or prior to the Closing Time, and the Purchaser has not waived that condition at or prior to the Closing Time; or

- (ii) by the Seller Group, if any of the conditions in Section 5.2 has not been satisfied at the Closing Time, or if it becomes apparent that any such condition cannot be satisfied at or prior to the Closing Time, and the members of the Seller Group have not collectively waived that condition at or prior to the Closing Time.
- (b) This Agreement may be terminated by mutual written agreement of each member of the Seller Group and the Purchaser upon the terms of that agreement.

7.2 Effect of Exercise of Termination Rights

- (a) If a Party exercises its right of termination under Section 7.1(a), immediately upon the Party giving notice as required under Section 7.1(a), subject to section 7.2(b), the Parties will be discharged from any further obligations under this Agreement, except that each Party's respective obligations under Sections 4.3.1, 9.2, 9.4 and 9.5 will continue indefinitely.
- (b) If a Party exercises its right of termination under Section 7.1(a) because a condition for the benefit of the terminating Party has not been satisfied because the other Party or Parties failed to perform in good faith any of its or their obligations or covenants under this Agreement, any rights, remedies or causes of action the terminating Party may have based upon the other Party's or Parties' breach will continue unimpaired; provided, that any claim for Damages deriving from such rights, remedies or causes of action shall be limited to out-of-pocket expenses incurred or incurred and paid for by such Party in connection with the transactions contemplated by this Agreement, the total of which claim shall not be in excess of USD\$200,000; for certainty, if a condition in Section 5.1 or Section 5.2 is not able to be satisfied by the Seller Group or the Purchaser, respectively, where the Seller Group or the Purchaser, as applicable, have made all reasonable efforts and have acted in good faith to so satisfy such condition but have not been able to do so, no Damages shall be able to be claimed pursuant to this Section 7.2(b).

Article 8

SURVIVAL AND INDEMNIFICATION

8.1 Survival of Representations, Warranties and Covenants

The representations, warranties and covenants of each Party contained in this Agreement and in any Contract, agreement, instrument, certificate or other document executed or delivered pursuant to this Agreement shall survive, in each case, for the same period of time during which an obligation to indemnify exists pursuant to this Article 8.

8.2 Indemnification by Boiketlo in respect of the Corporation

Subject to Section 8.6, Boiketlo shall indemnify and save each of the Purchaser's Indemnified Persons harmless against, and will reimburse them for, any Damages suffered by or asserted against it or any of them, directly or indirectly, arising from, in connection with or related to:

- (a) any misrepresentation or any incorrectness in or breach of any representation or warranty of Boiketlo contained in Section 3.1 or in the certificate to be delivered under Section 5.1.1(a) in respect of the Corporation;

- (b) any breach or non-fulfilment of any covenant or obligation on the part of Boiketlo in Section 4.1 or in the certificate to be delivered under Section 5.1.1(b) in respect of the Corporation;
- (c) any Taxes required to be paid by the Corporation relating to or arising from any taxation period ending on or before the Closing Date and the portion of any Taxes relating to any taxation period ending after the Closing Date that is attributable to the portion of that period ending on the Closing Date, except to the extent such unpaid taxes accrued as a liability in the Corporation's management accounts provided to the Purchaser for review prior to Closing;
- (d) any debts or liabilities of the Corporation which exist at Closing in respect of trade payables arising in the Ordinary Course (excluding contingent liabilities) and the Bophelo Bridge Loan which are in excess of the Target Net Debt in the aggregate; and
- (e) any debts or liabilities of the Corporation which exist at Closing, other than in respect of trade payables, that are in excess of \$250,000 in the aggregate.

8.3 Indemnification by GMG in respect of Middleton

Subject to Section 8.6, GMG shall indemnify and save each of the Purchaser's Indemnified Persons harmless against, and will reimburse them for, any Damages suffered by or asserted against it or any of them, directly or indirectly, arising from, in connection with or related to:

- (a) any misrepresentation or any incorrectness in or breach of any representation or warranty of GMG contained in Section 3.2 or in the certificate to be delivered under Section 5.1.1(a) in respect of Middleton;
- (b) any non-fulfilment or breach of any covenant or agreement on the part of GMG in Section 4.1 or in the certificate to be delivered under Section 5.1.1(b) in respect of Middleton;
- (c) any Taxes required to be paid by Middleton relating to or arising from any taxation period ending on or before the Closing Date and the portion of any Taxes relating to any taxation period ending after the Closing Date that is attributable to the portion of that period ending on the Closing Date, except to the extent such unpaid taxes accrued as a liability in Middleton's management accounts provided to the Purchaser for review prior to Closing; and
- (d) any debts or liabilities of Middleton which exist at Closing, other than the Middleton Bridge Loan.

8.4 Indemnification by each Seller Group Member

Subject to Section 8.6, each Seller Group Member shall severally, and not jointly and severally, indemnify and save each of the Purchaser's Indemnified Persons harmless against, and will

reimburse them for, any Damages suffered by or asserted against it or any of them, directly or indirectly, arising from, in connection with or related to:

- (a) any misrepresentation or any incorrectness in or breach of any representation or warranty of such Seller Group Member contained in Section 3.3 or in the certificate to be delivered under Section 5.1.1(a) in respect of such Seller Group Member; and
- (b) any non-fulfilment or breach of any covenant or agreement on the part of such Seller Group Member in Section 4.1 or in the certificate to be delivered under Section 5.1.1(b) in respect of such Seller Group Member.

8.5 Indemnification by the Purchaser

The Purchaser shall indemnify and save each of the Seller Group Indemnified Persons harmless against, and will reimburse them for, any Damages suffered by or asserted against it or any of them, directly or indirectly, arising from, in connection with or related to:

- (a) any misrepresentation or any incorrectness in or breach of any representation or warranty of the Purchaser contained in Section 3.4 or in the certificate to be delivered under Section 5.2.1(a); and
- (b) any non-fulfilment or breach of any covenant or agreement on the part of the Purchaser in Section 4.2 or in the certificate to be delivered under Section 5.2.1(b).

8.6 Thresholds and Limitations

- (a) The obligations of the Parties under this Article 8 shall terminate on the Escrow Termination Date, except, with respect to claims for which written notice has been given and legal action has been instituted prior to the Escrow Termination Date (and, for certainty, such Escrow Termination Date shall be extended in accordance with the terms of the Escrow Agreement if a claim for which written notice has been given and legal action has been instituted prior to the Escrow Termination Date has not been resolved by the Escrow Termination Date).
- (b) Any Damages for which a Purchaser Indemnified Person is entitled to indemnification by Boiketlo pursuant to Section 8.2 shall be satisfied solely by a set-off against that portion of the Escrow Shares to be issued to Boiketlo in connection with and pursuant to the terms of the Escrow.
- (c) Any Damages for which a Purchaser Indemnified Person is entitled to indemnification by GMG under Section 8.3 shall be satisfied solely by a set-off against that portion of the Escrow Shares to be issued to GMG in connection with and pursuant to the terms of the Escrow.
- (d) Any Damages for which a Purchaser Indemnified Person is entitled to indemnification by a Seller Group Member pursuant to Section 8.4 shall be satisfied solely by a set-off, on a several, and not joint and several, basis, against that portion of the Escrow Shares to be issued to such Seller Group Member in connection with and pursuant to the terms of the Escrow.

- (e) For certainty, the value assigned to any Escrow Shares for the purposes of the set-off detailed in Sections 8.6(b), (c) and (d) shall be deemed to be the volume weighted average trading price of Halo Shares for the twenty (20) consecutive trading days following the date of the applicable written notice delivered in connection with such indemnification claim.
- (f) No claim of any nature whatever shall be made by a Purchaser Indemnified Person for any Damages to which it may be entitled in respect of matters contemplated in Sections 8.2, 8.3 and 8.4, or by a Seller Group Indemnified Person for any Damages to which it may be entitled in respect of matters contemplated in Section 8.5, unless and until such claim or the aggregate of all such claims, exceed the sum of \$500,000. Should any such claim or the aggregate of any such claims exceed \$500,000 then, subject to the provisions of Article 8, the full aggregate amount of such claims (and all future claims) from the first dollar thereof shall be recoverable by the Purchaser Indemnified Person or by the Seller Group Indemnified Person, as applicable, and not only such excess.
- (g) In addition to each Party's rights under Section 8.12, for certainty, any claim by a Purchaser Indemnified Person for any Damages to which it may be entitled in respect of matters contemplated in Sections 8.2, 8.3 and 8.4 shall be reduced by the aggregate of:
 - (i) an amount equal to 100% of any payment made to and received by the Corporation or Middleton in respect of a tax benefit received by the Corporation or Middleton, as the case may be, as a result thereof;
 - (ii) an amount equal to 100% of any amount actually recovered by the Corporation or Middleton, as the case may be, from any third party in respect thereof; and
 - (iii) any amount actually recovered by the Corporation or Middleton, as the case may be, by which the subject matter of the claim has been or is made good or otherwise compensated for.
- (h) A Purchaser Indemnified Person shall have no claim whatsoever in respect of matters contemplated in Sections 8.2, 8.3 and 8.4, and a Seller Group Indemnified Person shall have no claim whatsoever in respect of matters contemplated in Section 8.5, if and to the extent that:
 - (i) the facts or circumstances giving rise to such claim and/or any information related thereto has been disclosed in the various schedules contemplated in Article 3 and Article 4, whether such information is disclosed in the schedule purportedly related to the disclosure of such information or in any other schedule, provided, however, that such information must be clearly relevant to each other representation or warranty other than the representations and warranties in connection with the disclosure schedule in which such information is disclosed, with such disclosure accordingly serving to limit and qualify the representations and warranties given in Article 3 and the covenants given in Article 4; or
 - (ii) such breach or claim occurs as a result of any legislation not in force at the Closing Date which takes effect retrospectively.

- (i) The rights to indemnification of the Purchaser's Indemnified Persons and the Seller Group Indemnified Persons under this Article 8 will apply notwithstanding the Closing or the delivery of the certificates under Sections 5.1.1(a) and 5.1.1(b) and Sections 5.2.1(a) and 5.2.1(b), respectively.

8.7 Notice of Claim

- (a) If a Third Party Claim is instituted or asserted against an Indemnified Person, the Indemnified Person shall promptly, but in no event later than 60 days after the commencement or assertion of that Third Party Claim, notify the Indemnifier in writing of the Third Party Claim. The notice will describe the Third Party Claim in reasonable detail and indicate, if reasonably practicable, the nature and amount of the potential Damages arising therefrom.
- (b) If an Indemnified Person becomes aware of a Direct Claim, the Indemnified Person shall promptly notify the Indemnifier in writing of that Direct Claim. The notice will describe the Direct Claim in reasonable detail and indicate, if reasonably practicable, the nature and amount of the potential Damages arising therefrom.
- (c) Notice to an Indemnifier of a Third Party Claim or Direct Claim under this Section 8.7 will constitute an assertion of a claim for indemnification against the Indemnifier under this Article 8 and upon receipt of notice, the provisions of Sections 8.8 to 8.10 will apply to any Third Party Claim and the provisions of Section 8.11 will apply to any Direct Claim.
- (d) Failure by an Indemnified Person to give prompt notice of a Third Party Claim or Direct Claim will not relieve an Indemnifier from the obligation to indemnify the Indemnified Person, unless the Indemnified Person's failure to notify prejudices the ability of the Indemnifier to exercise its rights under Sections 8.8 to 8.10 with respect to a Third Party Claim.

8.8 Defence of Third Party Claims

With respect to a Third Party Claim, the Indemnifier may participate in or, by giving notice to that effect to the Indemnified Person not later than fifteen (15) Business Days after receipt of notice with respect to that Third Party Claim and, subject to the rights of any insurer or other third party having potential liability therefor, elect to assume the control of the defence of the Third Party Claim at the Indemnifier's own expense and by the Indemnifier's own counsel, and the Indemnified Person may participate in the defence of any Third Party Claim assisted by counsel of its choice at its own expense. If the Indemnifier does not give notice within fifteen (15) Business Days after receipt of notice of the Third Party Claim that it has elected to assume the control of the defence of the Third Party Claim, the Indemnified Person may, at its option and assisted by counsel of its choice, assume the defence of or settle or compromise the Third Party Claim without prejudice to its right of indemnification under this Agreement.

8.9 Assistance for Third Party Claims

The Indemnifier and the Indemnified Person shall make commercially reasonable efforts to make available to the Party which is undertaking and controlling the defence of any Third Party Claim (the "**Defending Party**"),

- (i) those employees whose assistance, testimony or presence is necessary to assist the Defending Party in evaluating and in defending any Third Party Claim; and
- (ii) all documents, records and other materials in the possession of that Party reasonably required by the Defending Party for its use in defending any Third Party Claim,

and shall otherwise co-operate in good faith with the Defending Party. The Indemnifier shall be responsible for all reasonable expenses associated with making those documents, records and materials available and for all reasonable expenses of any employees made available by the Indemnified Person to the Indemnifier hereunder.

8.10 Settlement of Third Party Claims

- (a) If an Indemnifier elects to assume the defence of any Third Party Claim as provided in Section 8.8, the Indemnifier shall diligently proceed with the defence and shall not, without the prior written consent of the Indemnified Person, not to be unreasonably withheld, enter into any compromise or settlement of the Third Party Claim or consent to the entry of any judgment, which would lead to liability or create any other obligation, financial or otherwise, on the Indemnified Person.
- (b) If an Indemnifier elects to assume the defence of any Third Party Claim as provided in Section 8.8, the Indemnifier will not be liable for any legal expenses subsequently incurred by the Indemnified Person in connection with the defence of that Third Party Claim. However, if the Indemnifier fails to take reasonable steps necessary to defend diligently that Third Party Claim within thirty (30) days after receiving notice from the Indemnified Person that the Indemnified Person believes on reasonable grounds that the Indemnifier has failed to take reasonable steps, the Indemnified Person may, at its option and assisted by counsel of its choice, defend, settle or compromise the Third Party Claim without prejudice to its right of indemnification hereunder, it being understood that the Indemnified Person shall not, without the prior written consent of the Indemnifier, not to be unreasonably withheld, enter into any compromise or settlement of the Third Party Claim or consent to the entry of any judgment. The Party controlling the defence of the Third Party Claim shall keep the other Party advised of the defence of the Third Party Claim and consider in good faith recommendations made by the other Party with respect thereto.

8.11 Direct Claims

With respect to a Direct Claim, the Indemnified Person shall give notice of the Direct Claim to the Indemnifier as provided in Section 8.7. Upon receipt of that notice, the Indemnifier will then have a period of thirty (30) days within which to respond in writing to the Direct Claim. The Indemnified Person shall make available to the Indemnifier the information relied upon by the Indemnified Person to substantiate its right to be indemnified, together with all other information as may be reasonably requested by the Indemnified Person. If the Indemnifier does not respond within that thirty (30) day period, the Indemnifier will be deemed to have rejected that Direct Claim and the Indemnified Person may pursue any remedies available to it.

8.12 Reductions and Subrogation

If the amount of Damages incurred by an Indemnified Person at any time subsequent to the making of an Indemnity Payment is reduced by any recovery, settlement or otherwise under any insurance coverage or under any claim, recovery, settlement or payment by or against any other Person, the Indemnified Person shall promptly repay to the Indemnifier the amount of the reduction (less any costs, expenses (including Taxes) or premiums incurred in connection therewith). Upon making a full Indemnity Payment, the Indemnifier will, to the extent of that Indemnity Payment, be subrogated to all rights of the Indemnified Person against any third party that is not an Affiliate of the Indemnified Person in respect of the Damages to which the Indemnity Payment relates. Until the Indemnified Person recovers full payment of its Damages, any and all claims of the Indemnifier against any such third party on account of that Indemnity Payment will be postponed and subordinated in right of payment to the Indemnified Person's rights against that third party.

8.13 Payment and Interest

All amounts to be paid by an Indemnifier under this Article 8 will bear interest at a rate per annum equal to the Prime Rate, calculated and payable monthly, both before and after judgment, with interest on overdue interest at the same rate, from the date that the Indemnified Person gave notice of a claim under Section 8.7 to the date of payment by the Indemnifier to the Indemnified Person.

8.14 Exclusive Remedy

Subject to Section 7.2(b), the rights of indemnity set forth in this Article 8 are the sole and exclusive remedy of each Party in respect of any misrepresentation, incorrectness in or breach of any representation or warranty, or breach of covenant, by the other Party under this Agreement. Accordingly, subject to Section 7.2(b), the Parties waive, from and after the Closing, any and all rights, remedies and claims that one Party may have against the other, whether at law, under any statute or in equity (including but not limited to claims for contribution or other rights of recovery arising under any Environmental Laws, claims for breach of contract, breach of representation and warranty, negligent misrepresentation and all claims for breach of duty), or otherwise, directly or indirectly, relating to the provisions of this Agreement or the transactions contemplated by this Agreement other than as expressly provided for in this Article 8 and other than those arising with respect to any fraud or wilful misconduct. The Parties agree that if a claim for indemnification is made by one Party in accordance with Article 8, as the case may be, and there has been a refusal by the other Party to make payment or otherwise provide satisfaction in respect of such claim, then a Legal Proceeding is the appropriate means to seek a remedy for such refusal. This Article 8 shall remain in full force and effect in all circumstances and shall not be terminated by any breach (fundamental, negligent or otherwise) by any Party of its representations, warranties or covenants under this Agreement or under any Closing Document or by any termination or rescission of this Agreement by any Party.

Article 9

MISCELLANEOUS

9.1 Notices

(a) Any notice, direction or other communication (in this Section 9.1, a “**notice**”) regarding the matters contemplated by this Agreement shall be in writing and (i) delivered personally, (ii) sent by courier, or (iii) transmitted by email transmission, to the address(es) set forth below:

(i) in the case of Boiketlo, to:

Attention : Louisa Mojela
Email : maliako@bophelo-bioscience.com
2&3 West Road, South Estate
Cnr Farrington Street & Berrill Lane
Morningside, 2057
Johannesburg South Africa

(ii) in the case of Mojela, to:

Attention : Louisa Mojela
Email : maliako@bophelo-bioscience.com
2&3 West Road, South Estate
Cnr Farrington Street & Berrill Lane
Morningside, 2057
Johannesburg South Africa

(iii) in the case of Seape, to:

Attention : Granny Seape
Email : granny@bophelo-bioscience.com
12 Leeuklip Avenue
Bassonia Ext 1
2061
Johannesburg South Africa

(iv) in the case of GMG, to:

Attention: Hanista Prayag
Email: hanista@gmgfinancial.com
19th Floor Newton Tower
Sir William Newton Street
Port Louis
11328
Mauritius

(v) in the case of 1942 CP, to:

Attention : Bernard Rossi-Zalmons
Email: trevor@bearingway.co.za
13 Lume Gardens
Memorial Lane

Maroeladal
2191
Johannesburg South Africa

(vi) in the case of Seedy, to:

Attention : Seedy Lette
Email : seedy@bophelo-bioscience.com
2&3 West Road, South Estate
Cnr Farringdon Street & Berrill Lane
Morningside, 2057
Johannesburg South Africa

(vii) in the case of the Purchaser, to:

Halo Labs Inc.
Suite 815, 65 Queen Street West
Toronto, Ontario, Canada M5H 2M5
Attention: Kiran Sidhu, CEO
Email: kiran@halocanna.com

With a copy to:

Dentons Canada LLP
77 King Street West, Suite 400
Toronto Dominion Centre
Toronto, Ontario, Canada M5K 0A1
Attention: Eric Foster
Email: eric.foster@dentons.com

- (b) A notice is deemed to be delivered and received (i) if delivered personally, on the date of delivery if delivered prior to 5:00 p.m. (recipient's time) on a Business Day and otherwise on the next Business Day; (ii) if sent by same-day courier, on the date of delivery if delivered prior to 5:00 p.m. (recipient's time) on a Business Day and otherwise on the next Business Day; (iii) if sent by overnight courier, on the next Business Day; or (iv) if transmitted by email, on the Business Day following the date that the email transmission is sent.
- (c) A Party may change its address for service from time to time by notice given in accordance with the foregoing provisions.

9.2 Public Announcements

No press release, public statement or announcement or other public disclosure regarding this Agreement or the transactions contemplated by this Agreement may be made prior to the Closing Time without the prior written consent and joint approval of the Seller Group and the Purchaser, except if required by Applicable Laws or a Governmental Authority; if disclosure is required by Applicable Laws or a Governmental Authority, the Party that is required (or whose Affiliate may be required) to make the disclosure shall, without unreasonable delay, notify the other Party of the request or requirement before any disclosure is made and make commercially reasonable

efforts to obtain the approval of the other Party as to the form, nature and extent of the disclosure. After the Closing Time, no press release, public statement or announcement or other public disclosure regarding this Agreement or the transactions contemplated by this Agreement may be made by the Seller Group unless disclosure is required by Applicable Laws or a Governmental Authority, in which case the Seller Group shall make commercially reasonable efforts to obtain the approval of the Purchaser as to the form, nature and extent of the disclosure.

9.3 Further Assurances

Each Party shall from time to time, before or after the Closing Time, execute, acknowledge and deliver or cause to be executed, acknowledged and delivered all further acts, documents and instruments as may be reasonably necessary or desirable in order to give full effect to this Agreement or any provision of it.

9.4 Costs and Expenses

Unless otherwise specified, each Party shall be responsible for all costs and expenses (including the fees and disbursements of legal counsel, bankers, investment bankers, accountants, brokers and other advisors) incurred by it in connection with this Agreement and the transactions contemplated by it.

9.5 Brokers

The Seller Group shall indemnify and save harmless the Purchaser and the Corporation from and against any claims for any commission, fee or other remuneration payable or alleged to be payable to any broker, agent or other intermediary who purports to act or have acted for the Seller Group or the Corporation. The Purchaser shall indemnify and save harmless the Seller Group from and against any claims for any commission, fee or other remuneration payable or alleged to be payable to any broker, agent or other intermediary who purports to act or have acted for the Purchaser. These indemnities are not subject to any of the limitations in Article 8.

9.6 Waiver of Rights

Any waiver of any of the provisions of this Agreement will be binding only if it is in writing and signed by the Party to be bound by it, and only in the specific instance and for the specific purpose for which it has been given. The failure or delay of any Party in exercising any right under this Agreement will not operate as a waiver of that right. No single or partial exercise of any right will preclude any other or further exercise of that right or the exercise of any other right, and no waiver of any of the provisions of this Agreement will constitute a waiver of any other provision (whether or not similar).

9.7 Remedies Cumulative

Unless otherwise specified, the rights and remedies of a Party under this Agreement are cumulative and in addition to and without prejudice to any other rights or remedies available to that Party at law, in equity or otherwise, and unless otherwise specified, no single or partial exercise by a Party of any right or remedy precludes or otherwise affects the exercise of any other right or remedy to which that Party may be entitled.

9.8 Severability

If any provision of this Agreement or its application to any Party or circumstance is determined by a court of competent jurisdiction to be illegal, invalid or unenforceable, it will be ineffective only to the extent of its illegality, invalidity or unenforceability without affecting the validity or the enforceability of the remaining provisions of this Agreement and without affecting its application to other parties or circumstances.

9.9 Assignment

Except as provided in this Section 9.9, neither this Agreement nor any of the rights, benefits or obligations under this Agreement are assignable or transferable by any Party without the prior written consent of all of the other Parties.

9.10 Successors and Assigns

This Agreement will enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

9.11 Third Parties

Unless otherwise specified in Article 8, this Agreement does not and is not intended to confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns. Except for the Indemnified Persons, no Person other than the Parties will be entitled to rely on the provisions of this Agreement in any action, suit, proceeding, hearing or other forum. The Parties reserve their right to vary or rescind, at any time and in any way whatsoever, the rights, if any, granted by or under this Agreement to any Person who is not a Party, without notice to or consent of that Person, including any Indemnified Person.

9.12 Entire Agreement

This Agreement (including all Schedules and Exhibits attached hereto), together with the Closing Documents, constitutes the entire agreement between the Parties with respect to the transactions contemplated by this Agreement and supersedes all other understandings, agreements, representations (including misrepresentations, negligent or otherwise), negotiations, communications and discussions, written or oral, made by the Parties with respect thereto, including without limitation all prior indications of interest, heads of terms and term sheets. There are no representations, warranties, terms, conditions, covenants or other understandings, express or implied, collateral, statutory or otherwise, between the Parties, except as expressly stated in this Agreement. The Parties have not relied and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement and the Closing Documents. If there is any conflict or inconsistency between the provisions of this Agreement and those in any Closing Document, the terms and conditions in this Agreement will govern.

9.13 Amendment

This Agreement may not be amended, supplemented or otherwise modified in any respect except by written agreement signed by the Parties.

9.14 Governing Law; Attornment

This Agreement will be construed, interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario. Each Party irrevocably attorns and submits to the non-exclusive jurisdiction of the courts of Ontario.

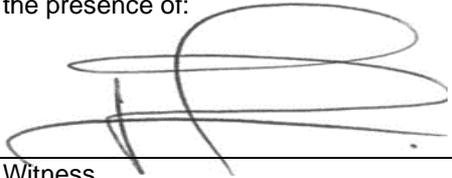
9.15 Counterparts and Delivery by Facsimile

This Agreement may be executed in any number of counterparts (including counterparts by facsimile), each of which will be deemed to be an original and all of which, taken together, will be deemed to constitute one and the same instrument. Delivery by facsimile or by electronic transmission of an executed counterpart of this Agreement is as effective as delivery of an originally executed counterpart of this Agreement. Any Party delivering an executed counterpart of this Agreement by facsimile or by electronic transmission shall also deliver an originally executed counterpart of this Agreement, but the failure to deliver an originally executed copy does not affect the validity, enforceability or binding effect of this Agreement.

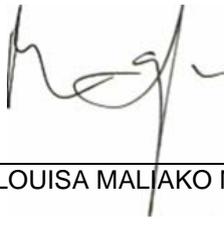
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THIS AGREEMENT has been executed by the Parties effective the date first noted above.

SIGNED, SEALED AND DELIVERED in)
the presence of:)

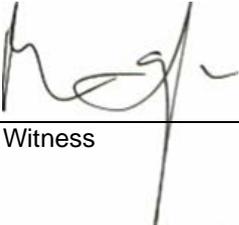


Witness



LOUISA MADI AKO MOJELA

SIGNED, SEALED AND DELIVERED in)
the presence of:)

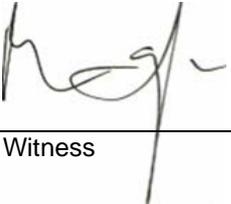


Witness



MOIRA GRANNY SEAPE

SIGNED, SEALED AND DELIVERED in)
the presence of:)



Witness



SEEDY MOMODOU LETTE

1942 CAPITAL PARTNERS (PTY) LTD.

By: _____
Name:
Title:

BOIKETLO BIOMED (PTY) LTD.

By:  _____
Name: LOUISA MADI AKO MOJELA
Title: DIRECTOR

THIS AGREEMENT has been executed by the Parties effective the date first noted above.

SIGNED, SEALED AND DELIVERED in)
the presence of:)
)
)
)
)

Witness) LOUISA MALIAKO MOJELA
)

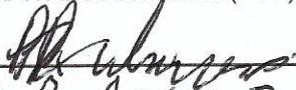
SIGNED, SEALED AND DELIVERED in)
the presence of:)
)
)
)
)

Witness) MOIRA GRANNY SEAPE
)

SIGNED, SEALED AND DELIVERED in)
the presence of:)
)
)
)
)

Witness) SEEDY LETTE
)

1942 CAPITAL PARTNERS (PTY) LTD.

By: 
Name: B. Rossi-Zalmons.
Title: Director.

BOIKETLO BIOMED (PTY) LTD.

By: _____
Name:
Title:

THIS AGREEMENT has been executed by the Parties effective the date first noted above.

SIGNED, SEALED AND DELIVERED in)
the presence of:)
)
)

Witness)) LOUISA MALIAKO MOJELA

SIGNED, SEALED AND DELIVERED in)
the presence of:)
)
)

Witness)) MOIRA GRANNY SEAPE

SIGNED, SEALED AND DELIVERED in)
the presence of:)
)
)

Witness)) SEEDY LETTE

1942 CAPITAL PARTNERS (PTY) LTD.

By: _____
Name:
Title:

BOIKETLO BIOMED (PTY) LTD.

By: _____
Name:
Title:

GMG FINANCIAL SERVICES LTD.

By: H. V. C. 
Name: Haggay Aidlin and Dave John Elzas
Title: Directors

GMG FINANCIAL SERVICES LTD.

By: _____
Name:
Title:

HALO LABS INC.

By:  _____
Name: Kiranjit S Sidhu
Title: CEO & Director