

SHARE EXCHANGE AGREEMENT

AMONG

HALO LABS INC.

- and -

1275111 B.C. LTD.

- and -

THE PERSONS LISTED ON ANNEX 1 ATTACHED

Dated as of December 22, 2020

TABLE OF CONTENTS

	Page
ARTICLE 1 DEFINITIONS.....	1
1.1 Definitions.....	1
1.2 Annexes and Exhibits.....	7
ARTICLE 2 SHARE EXCHANGE	8
2.1 Share Exchange.....	8
2.2 Purchase Price.....	8
2.3 Restrictions on Resale.....	8
2.4 United States Restrictions.....	9
2.5 Closing.....	9
2.6 Closing Deliveries of the Vendors.....	9
2.7 Closing Deliveries of Halo.....	10
ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF THE COMPANY AND THE VENDORS.....	10
3.1 Organization and Authorization.....	11
3.2 Organizational Documents and Corporate Records.....	11
3.3 No Conflicts; Required Consents.....	11
3.4 Capitalization.....	11
3.5 Investments.....	12
3.6 Financial Statements.....	12
3.7 No Undisclosed Liabilities.....	13
3.8 Indebtedness.....	13
3.9 Absence of Certain Changes.....	13
3.10 Material Contracts.....	13
3.11 Legal Proceedings.....	13
3.12 Compliance with Laws.....	13
3.13 Licenses.....	14
3.14 Personal Property.....	14
3.15 Intellectual Property.....	14
3.16 Tax Matters.....	15
3.17 Environmental Matters.....	16
3.18 Employment Matters.....	16
3.19 Affiliate Transactions.....	16
3.20 Directors and Officers.....	16
3.21 Insolvency.....	16
3.22 No Broker.....	17
ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF THE VENDORS	17
4.1 Authorization.....	17
4.2 No Conflicts; Required Consents.....	17
4.3 Ownership of the 1275111 Shares.....	18
4.4 Legal Proceedings.....	18
4.5 Insolvency.....	18
4.6 Halo Shares.....	18
ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF HALO	18
5.1 Organization.....	19

5.2	Authorization	19
5.3	Organizational Documents and Corporate Records	19
5.4	No Conflicts; Required Consents	19
5.5	Capitalization	20
5.6	Subsidiaries and Investments	20
5.7	Financial Statements	20
5.8	No Undisclosed Liabilities	21
5.9	Indebtedness	21
5.10	Material Contracts	21
5.11	Legal Proceedings	21
5.12	Compliance with Laws	21
5.13	Licenses	21
5.14	Title to and Sufficiency of Assets	22
5.15	Tax Matters	22
5.16	Environmental Matters	23
5.17	Insolvency	23
5.18	Due Issuance	23
5.19	No Orders	23
ARTICLE 6 COVENANTS		24
6.1	Interim Operations	24
6.2	Access to Information	26
6.3	Notice of Certain Events	26
6.4	Efforts	27
6.5	Exclusivity	27
6.6	Confidentiality	27
6.7	Expenses	28
6.8	Non-Competition	28
6.9	Further Assurances	28
6.10	Termination of Certain Arrangements	28
ARTICLE 7 CONDITIONS PRECEDENT		29
7.1	Conditions to the Obligations of the Parties	29
7.2	Conditions to the Obligations of the Vendors and the Company	29
7.3	Conditions to the Obligations of Halo	30
ARTICLE 8 INDEMNIFICATION		31
8.1	Indemnity by the Vendors	31
8.2	Claim Notice	31
8.3	Time Limits for Claim Notice for Breach of Representations and Warranties	31
8.4	Limitation of Liability	32
8.5	Calculation of Damages	32
8.6	Liability of the Vendors	32
ARTICLE 9 TERMINATION		32
9.1	Grounds for Termination	32
9.2	Notice of Termination	33
9.3	Effect of Termination	33
ARTICLE 10 RELEASE		33
10.1	Vendors' Release	33

10.2	Halo Release.....	34
ARTICLE 11 GENERAL PROVISIONS		34
11.1	Non-Survival of Representations, Warranties and Covenants.	34
11.2	Notices.	35
11.3	Counterparts.	36
11.4	Amendments and Waivers.....	36
11.5	Severability.....	36
11.6	Assignment; Successors and Assigns.	36
11.7	No Third Party Beneficiaries.	36
11.8	Governing Law.	37
11.9	Specific Performance.....	37
11.10	Interpretation; Absence of Presumption.	37
11.11	Independent Legal Advice.	38
11.12	Announcements.	38
11.13	Entire Agreement.	38

SHARE EXCHANGE AGREEMENT

THIS SHARE EXCHANGE AGREEMENT (the “**Agreement**”) is dated as of December 22, 2020 (the “**Agreement Date**”) among: (i) Halo Labs Inc. (“**Halo**”); (ii) 1275111 B.C. Ltd. (“**1275111**” or the “**Company**”); and (iii) the Vendors (as hereinafter defined).

WHEREAS the Vendors collectively own, beneficially and of record, that number of 1275111 Shares (as hereinafter defined) specified on Annex 1 opposite the name of each of the Vendors;

WHEREAS Halo wishes to acquire all of the outstanding shares in the capital of the Company in exchange for Halo Shares (as hereinafter defined) (the “**Acquisition**”) upon the terms and conditions set forth herein; and

WHEREAS the Vendors have agreed to the Acquisition.

NOW, THEREFORE, in consideration of the representations, warranties, covenants and agreements set forth herein, and intending to be legally bound hereby, the Parties hereby agree as follows:

ARTICLE 1 DEFINITIONS

1.1 Definitions.

For purposes of this Agreement, the following terms will have the following meanings:

“**1275111 Disclosure Schedule**” means the disclosure schedule dated as of the Agreement Date delivered by the Company to Halo prior to the execution and delivery of this Agreement. The 1275111 Disclosure Schedule will be arranged in sections and subsections corresponding to the numbered and lettered sections and subsections contained in Article 3 and Article 4. The Parties agree that an item disclosed in one section or subsection of the 1275111 Disclosure Schedule will apply only with respect to the indicated section or subsection, except to the extent that it is reasonably apparent on the face of the disclosure that such disclosure is also applicable to another section or subsection of the 1275111 Disclosure Schedule.

“**1275111 Financial Statements**” means the unaudited financial statements of the Company for the period from the date of incorporation to a date within three business days of the Closing Date, to be provided by the Company.

“**1275111 Released Person**” has the meaning specified in Section 10.2.

“**1275111 Shares**” means the common shares in the capital of the Company.

“**Acquisition Proposal**” has the meaning specified in Section 6.5.

“**Action**” means any claim, action, arbitration, mediation, audit, hearing, investigation, proceeding, litigation or suit (whether civil, criminal, administrative or investigative) commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Authority or mediator.

“**Acquisition**” has the meaning specified in the Preamble to this Agreement.

"Affiliate" means, with respect to any specified Person, any other Person that, at the time of determination, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such specified Person, including: (i) in the case of Halo after the Closing, the Company; and (ii) in the case of a natural Person, any trust maintained for the benefit of such natural Person or such natural Person's spouse or descendants (whether natural or adopted). For purposes of this Agreement, the term "control" (including, with correlative meanings, the terms "controlled by" and "under common control with") means the power to direct or cause the direction of the management and policies of a Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

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

"Agreement Date" has the meaning specified in the Preamble to this Agreement.

"Applicable Laws" means, with respect to any Person, any law (statutory, common or otherwise), rule, regulation, ordinance, order, injunction, judgment, award, decree, permit or determination of (or agreement with) a Governmental Authority, in each case binding on that Person or any of its assets or properties, including any stock exchange requirements.

"associate" has the meaning given to such term in the *Securities Act* (British Columbia).

"BCBCA" means the *Business Corporations Act* (British Columbia).

"Business Day" means any day other than a Saturday, Sunday or a day on which banks in the Province of British Columbia are authorized or required by Applicable Laws to be closed.

"Closing" means the completion of the Contemplated Transactions on the Closing Date.

"Closing Date" means January 4, 2021 or such other date as may be mutually agreed upon by the Parties on which the Closing occurs.

"Closing Time" means 11:00 a.m. (Vancouver time) on the Closing Date, or such other time as the parties may mutually determine.

"Company Business" means the business carried on by the Company as of the Agreement Date and as of the Closing Date, being the business of holding the Corporate IP.

"Company Material Adverse Effect" means any change, event, development, occurrence, state of facts, condition or effect (each, a **"Company Effect"**) that is, or would reasonably be expected to be, individually or in the aggregate with all other Company Effects, materially adverse to the Company or the financial condition or results of operations of the Company taken as a whole.

"Company Required Licenses" has the meaning specified in Section 3.13.1.

"Company Securities" has the meaning specified in Section 3.4.3.

"Contemplated Transactions" mean collectively, the Acquisition and all other transactions and action contemplated by the Transaction Documents.

“Contract” means any contract, agreement, policy, lease, commitment, understanding or arrangement, whether written or oral to which a Party or any Affiliate thereof is a party, or is bound or affected by, or to which any of their respective properties or assets is subject.

“Corporate IP” has the meaning specified in Section 3.15.

“Damages” means, whether or not involving a third party claim, any loss, cost, liability, claim, interest, fine, penalty, assessment, Taxes, Damages available at law or in equity, or expense (including consultant's and expert's fees and expenses and reasonable costs, fees and expenses of legal counsel).

“Design” has the meaning specified in Section 3.15 of the 1275111 Disclosure Schedule.

“Employee Benefit Plan” means every plan, fund, contract, program and arrangement (whether written or not) for the benefit of present or former directors, officers or employees of the Company.

“Enforceability Limitations” means limitations on enforcement and other remedies by or arising under or in connection with applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other similar Applicable Laws affecting creditors' rights generally or general principles of equity.

“Environmental Laws” means any Applicable Laws relating to environmental contamination, exposure to Hazardous Materials, the protection of the environment or the protection of human health and safety as it relates to the environment, but in each case, excluding any Applicable Laws relating to product liability.

“Exemption” has the meaning specified in Section 2.3.1.

“Fraud Claim” means any claim against any one or more of the Parties resulting from, in respect of, connected with, arising out of, under, or pursuant to fraud or fraudulent misrepresentation, intentional misrepresentation, willful breach or criminal conduct by such Person or Persons.

“GAAP” means generally accepted accounting principles as set forth in the CPA Canada Handbook - Accounting for an entity that prepares its financial statements in accordance with Canadian accounting standards for private enterprises, at the relevant time applied on a consistent basis.

“Governmental Authority” means any foreign, federal, state, provincial, federal, local or other government, regulatory or administrative authority, agency or commission, or any court, tribunal or judicial or arbitral body with competent jurisdiction.

“Halo” has the meaning specified in the Preamble to this Agreement.

“Halo Business” means the business carried on by Halo as of the Agreement Date and as of the Closing Date, being the business of cannabis extraction and manufacturing, as described further in the Halo Disclosure Record.

“Halo Disclosure Record” means the public disclosure of Halo posted on its reporting issuer profile at www.SEDAR.com.

“Halo Financial Statements” means the consolidated annual financial statements for the years ended December 31, 2019 and 2018 and the condensed interim consolidated financial statements of Halo for the nine months ended September 30, 2020 and 2019.

“Halo Group Member” means Halo and the wholly owned subsidiaries of Halo, from time to time, including without limitation the subsidiaries described in the Halo Disclosure Record.

“Halo Material Adverse Effect” means any change, event, development, occurrence, state of facts, condition or effect (each, a **“Halo Effect”**) that is, or would reasonably be expected to be, individually or in the aggregate with all other Halo Effects, materially adverse to Halo or the financial condition or results of operations of Halo taken as a whole.

“Halo Released Person” has the meaning specified in Section 10.1.

“Halo Required Licenses” has the meaning specified in Section 5.13.1.

“Halo Securities” has the meaning specified in Section 5.5.2.

“Halo Shares” means the common shares in the capital of Halo.

“Hazardous Material” means: (i) any solid, liquid, gaseous or radioactive substance which, when it enters a premise, exists in the premise or is present in the water supplied to the premise, or released into the environment from the premise that is likely to cause material harm or degradation to any property or the environment or to any Person; (ii) any pollutants, contaminants, hazardous waste or other noxious substances; and (iii) any substance declared at any time by any Governmental Authority to be hazardous under any Environmental Law.

“Indebtedness” means, without duplication, in respect of a Person: (i) all obligations (including the principal amount thereof and, if applicable, the accreted amount thereof and the amount of accrued and unpaid interest thereon) of such Person, whether or not represented by bonds, debentures, notes or other securities or instruments (and whether or not convertible into any other security or instruments), for the repayment of money borrowed, whether owing to banks, to financial institutions, to Governmental Authorities, on equipment leases or otherwise; (ii) all deferred indebtedness of such Person for the payment of the purchase price of property or assets purchased (other than current accounts payable that were incurred in the ordinary course of business); (iii) all obligations of such Person to pay rent or other amounts under a lease which is required to be classified as a capital lease or a liability on a balance sheet prepared in accordance with GAAP, consistently applied; (iv) all outstanding reimbursement obligations of such Person with respect to letters of credit, bankers' acceptances or similar facilities issued for the account of such Person; (v) all obligations, contingent or otherwise, of such Person to repay any grant or subsidy; (vi) all obligations of such Person under any interest rate swap agreement, forward rate agreement, interest rate cap or collar agreement, or other financial agreement or arrangement entered into for the purpose of limiting or managing interest rate risks; (vii) all obligations secured by any Lien existing on property or assets owned by such Person, whether or not indebtedness secured thereby has been assumed; (viii) all guaranties, endorsements, assumptions and other contingent obligations of such Person in respect of, or to purchase or to otherwise acquire, indebtedness of others; and (ix) all premiums, penalties, fees, expenses, breakage costs and change of control payments required to be paid in respect of any of the foregoing on prepayment (regardless if any of such are actually paid), as a result of the consummation of the Contemplated Transactions.

“Intellectual Property” means, collectively, all rights in or affecting intellectual or industrial property or other proprietary rights existing in any jurisdiction, including with respect to the following: (i) patents and applications therefor, and patents issuing thereon, including continuations, divisionals, continuations-in-part, reissues, reexaminations, renewals and extensions, and the right to file other or further applications and claim priority thereto; (ii) trademarks, service marks, trade names, service names, brand names and trade dress rights, and all applications, registrations and renewals thereof; (iii) copyrights and registrations and applications therefor, works of authorship, “moral” rights and mask work rights; (iv) domain names, uniform resource locators and social media accounts or handles, including applications and registrations thereof; (v) telephone numbers; (vi) trade secrets; and (vii) the right to file applications and obtain registrations for any of the foregoing, as applicable.

“Knowledge of Halo” means the actual knowledge of Kiran Sidhu after reasonable internal and, as applicable, external, inquiry consistent with such individual’s relationship or position with Halo, so that, as a result of such inquiry, such individual is able to express an informed understanding as to the particular matters represented.

“Knowledge of the Vendors” means the actual knowledge of [REDACTED] and [REDACTED] after reasonable internal and, as applicable, external, inquiry consistent with such individual’s relationship or position with the Company, so that, as a result of such inquiry, such individual is able to express an informed understanding as to the particular matters represented.

“Liability” means any liability, debt, obligation or commitment of any nature whatsoever (whether direct or indirect, known or unknown, accrued or unaccrued, absolute or contingent, or matured or unmatured), including any arising under any Applicable Laws, License, Action or Contract.

“License” means any license, permit, consent, approval, certification or other authorization of any Governmental Authority.

“Lien” means, with respect to any asset or property, any lien, mortgage, pledge, hypothecation, charge, security interest or encumbrance of any kind in respect of such asset or property.

“Notice” has the meaning specified in Section 11.2.

“Ordinary Course of Business” means the ordinary course of business consistent with past custom and practice (including with respect to quantity and frequency) of the Person in question, taking into account actions taken in connection with such Person’s pursuit and implementation of the Contemplated Transactions.

“Organizational Documents” means: (i) the articles or certificate of incorporation and the bylaws of a corporation; (ii) the partnership agreement and any statement of partnership of a general partnership; (iii) the limited partnership agreement and the certificate of limited partnership of a limited partnership; (iv) the limited liability company agreement and articles or certificate of formation of a limited liability company; (v) any charter, indenture or similar document adopted or filed in connection with the creation, formation or organization of a Person; and (vi) any amendment to any of the foregoing.

“Party” means a party to this Agreement, and **“Parties”** means all of the parties to this Agreement.

“Payment Shares” has the meaning specified in Section 2.2.

“Permitted Liens” means: (i) statutory Liens for current Taxes that are not yet due and payable as of the Closing Date or are being contested in good faith by appropriate proceedings; (ii) other Liens that arise or are incurred in the Ordinary Course of Business (other than in connection with any Indebtedness), are not material in amount and do not adversely affect the title of, materially detract from the value of or materially interfere with any present use of, the assets or properties affected by such Lien.

“Person” means an individual, partnership, limited partnership, limited liability partnership, corporation, limited liability company, unlimited liability company, joint stock company, trust, unincorporated association, joint venture or other entity or Governmental Authority, and pronouns have a similarly extended meaning.

“Pooling Agreement” means the pooling agreement for the shares of Halo issued pursuant to the Acquisition in substantially the form attached as Exhibit B. The Pooling Agreement will be executed at the Closing Time.

“Purchased Shares” has the meaning specified in Section 2.1.

“Securities Laws” means the securities legislation having application, the regulations and rules thereunder and all administrative policy statements, instruments, blanket orders, notices, directions and rulings issued or adopted by the applicable securities regulatory authority, all as amended.

“Solicit” means any direct or indirect communication of any kind whatsoever that invites, advises, encourages or requests any Person, in any manner, to take or refrain from taking any action.

“Subsidiary” means, in respect of any Person, any corporation, partnership, trust, unlimited liability company, limited liability company or other non-corporate business enterprise in which such Person owns stock or other ownership interests representing: (a) more than 50% of the voting power of all outstanding stock or ownership interest of such entity; or (b) the right to receive more than 50% of the net assets of such entity available for distribution to the holders of outstanding stock or ownership interests upon liquidation or dissolution of such entity.

“Tax” (including, with correlative meaning, the terms **“Taxes”** and **“Taxable”**) means: (i) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Governmental Authority, whether computed on a separate, consolidated, unitary, combined or other basis, including those levied on, or measured by, or described with respect to, income, gross receipts, profits, gains, windfalls, capital, capital stock, production, recapture, transfer, land transfer, license, gift, occupation, wealth, environment, net worth, Indebtedness, surplus, sales, goods and services, harmonized sales, use, value-added, excise, special assessment, stamp, withholding, business, franchising, real or personal property, unclaimed property, escheat, health, employee health, payroll, workers’ compensation, employment or unemployment, severance, social services, social security, education, utility, surtaxes, customs, import or export, and including all license and registration fees and all employment insurance, health insurance and government pension plan premiums or contributions; (ii) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority on or in respect of amounts of the type described in paragraph (i); above or this paragraph (ii); (iii) any liability for the payment of any amounts of the type described in paragraphs (i) or (ii) as a result of being a member of an affiliated, consolidated, combined or unitary group for any period; and (iv) any liability for the payment of any amounts of the type described in paragraphs (i) or (ii) as a result of any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Party.

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

“**Tax Contest**” means any audit, investigation, claim, challenge, dispute or controversy relating to Taxes.

“**Tax Returns**” means all returns, reports and other documents of every nature (including elections, declarations, disclosures, schedules, estimates and information returns) filed or required to be filed with any Governmental Authority relating to Taxes.

“**Termination Date**” has the meaning specified in Section 6.1.1.

“**Transaction Documents**” means, collectively, this Agreement and each other agreement, certificate or other document required pursuant to this Agreement to be executed and delivered on Closing.

“**Transaction Expenses**” means the aggregate of all expenses incurred by the Company, or for which the Company is responsible for paying on behalf of any other Person, in connection with the Contemplated Transactions (excluding any such costs incurred personally by the Vendors), including all investment banking, legal, accounting and other advisory fees incurred in respect of the transactions contemplated by this Agreement.

“**U.S. Cannabis Laws**” means the Controlled Substances Act (CSA) (21 U.S.C. 811, et seq.), any regulations promulgated pursuant thereto and any other laws in the United States predicated on the violation thereof or that otherwise make cannabis illegal.

“**U.S. Person**” means a “U.S. person” as defined in Rule 902(k) of Regulation S under the U.S. Securities Act.

“**U.S. Securities Act**” means the United States Securities Act of 1933.

“**United States**” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

“**Vendors**” means the registered holders of 1275111 Shares listed on Annex 1 hereof, as such Annex 1 shall be updated and amended from time to time in accordance with this Agreement.

1.2 **Annexes and Exhibits.**

The following Annexes and Exhibits form an integral part of this Agreement:

ANNEXES

Annex 1	Vendors
Annex 2	Payment Shares

EXHIBITS

Exhibit A	Registration Instructions
Exhibit B	Form of Pooling Agreement

ARTICLE 2 SHARE EXCHANGE

2.1 Share Exchange.

Subject to the terms and conditions hereof, the Vendors covenant and agree, on their own behalf, to sell, assign and transfer to Halo and Halo covenants and agrees to purchase from the Vendors, the number of 1275111 Shares which are beneficially owned by the Vendors at the Closing Time (the “**Purchased Shares**”), being all of the issued and outstanding 1275111 Shares. For certainty, as of the Agreement Date, 100,000 1275111 Shares are beneficially owned, collectively, by the Vendors.

2.2 Purchase Price.

In consideration for the acquisition of the Purchased Shares, Halo shall, at the Closing Time, issue from treasury to the Vendors an aggregate of 147,475,343 Halo Shares, free and clear of any and all Liens (the “**Payment Shares**”), as set out in Annex 2. The Payment Shares are being issued at a deemed value of CAD\$0.055 per Payment Share for a total valuation of approximately CAD\$8,111,144.

2.3 Restrictions on Resale.

The Vendors acknowledge and agree as follows:

2.3.1 the transfer of the Purchased Shares and the issuance of the Payment Shares in exchange therefor will be made pursuant to the take-over bid prospectus exemption found in Section 2.16 of National Instrument 45-106 – *Prospectus Exemption* (the “**Exemption**”);

2.3.2 as a consequence of acquiring the Payment Shares pursuant to the Exemption:

2.3.2.1 the Vendors will be restricted from using certain of the civil remedies available under Securities Laws;

2.3.2.2 the Vendors may not receive information that might otherwise be required to be provided to the Vendors, and Halo is relieved from certain obligations that would otherwise apply under Securities Laws if the Exemption were not being relied upon by Halo;

2.3.2.3 no securities commission, stock exchange or similar regulatory authority has reviewed or passed on the merits of an investment in the Payment Shares;

2.3.2.4 there is no government or other insurance covering the Payment Shares; and

2.3.2.5 an investment in the Payment Shares is speculative and of high risk;

2.3.3 the certificates representing the Payment Shares will not bear any legends required by Securities Laws and the rules and policies of the NEO Exchange; and

2.3.4 the Vendors are knowledgeable of, or have been independently advised as to, the Applicable Laws of that jurisdiction which apply to the sale of the Purchased Shares and the issuance of the Payment Shares and which may impose restrictions on the resale of such Payment Shares in that jurisdiction and it is the responsibility of the Vendors to find out what those resale restrictions are, and to comply with them before selling the Payment Shares.

2.4 **United States Restrictions.**

Notwithstanding anything to the contrary in this Agreement, no Payment Shares shall be delivered to any Person in the United States or to any U.S. Person if Halo determines, in its reasonable discretion, after consultation with the Vendors, that doing so may result in any contravention of the U.S. Securities Act or any applicable state securities laws.

2.5 **Closing.**

Subject to the terms and conditions of this Agreement, the Closing will take place at the Closing Time by way of electronic exchange of documents. All documents delivered and actions taken at the Closing will be deemed to have been delivered or taken simultaneously.

2.6 **Closing Deliveries of the Vendors.**

At or prior to the Closing, the Company and the Vendors will deliver or cause to be delivered to Halo all of the following:

2.6.1 a certificate of status, good standing or like document for the Company issued as of a recent date by the applicable Governmental Authority evidencing the good standing of the Company;

2.6.2 a certificate of the President (or other Person acceptable to Halo) of the Company, dated the Closing Date, in form and substance reasonably satisfactory to Halo, as to (i) the resolutions adopted by the board of directors of the Company authorizing and approving the Contemplated Transactions, which resolutions will have been certified as true, correct and in full force and effect without rescission, revocation or amendment as of the Closing Date; and (ii) the Purchased Shares being uncertificated shares (as defined in the BCBCA);

2.6.3 a certificate of the secretary of the Company, dated the Closing Date, in form and substance reasonably satisfactory to Halo, certifying: (i) that there have been no amendments to the Company's notice of articles, articles or other applicable constating documents since the Agreement Date; and (ii) the Company's notice of articles and articles as in effect as of the Closing Date;

2.6.4 a duly executed stock transfer power of attorney or other evidence authorizing the transfer of the Purchased Shares to Halo;

2.6.5 the Pooling Agreement, duly executed by the Company and the Vendors, as applicable;

2.6.6 the minute books and other corporate records of the Company;

2.6.7 the certificate of the Vendors required to be delivered pursuant to Section 7.3.4;

2.6.8 all consents, waivers or approvals required to be obtained by the Company with respect to the completion of the Contemplated Transactions, including the consents, waivers, approvals and actions of or by, and all filings with and notifications to, any Governmental Authority pursuant to Section 7.1.1;

2.6.9 a duly executed resignation and release in a form satisfactory to Halo from each current director and officer of the Company listed on Section 3.20 of the 1275111 Disclosure Schedule;

2.6.10 resolutions and other corporate documents of the Company to evidence the issuance of the 1275111 Shares to the Vendors;

2.6.11 a duly executed assignment of intellectual property rights from the Vendors to the Company evidencing the Company's ownership of the Corporate IP, in a form satisfactory to Halo, acting reasonably;

2.6.12 the 1275111 Disclosure Schedule in form and substance reasonably satisfactory to Halo; and

2.6.13 such other documents as may be required for the Acquisition and the Closing.

2.7 **Closing Deliveries of Halo.**

At or prior to the Closing, Halo will deliver or cause to be delivered to the Vendors all of the following:

2.7.1 a certificate of status, good standing or like document for Halo issued as of a recent date by the applicable Governmental Authority evidencing the good standing of Halo;

2.7.2 a certificate of the Chief Executive Officer (or other Person acceptable to the Vendors) of Halo, dated the Closing Date, in form and substance reasonably satisfactory to the Vendors, as to the resolutions adopted by the board of directors of Halo authorizing and approving the Contemplated Transactions, which resolutions will have been certified as true, correct and in full force and effect without rescission, revocation or amendment as of the Closing Date;

2.7.3 DRS statements from Halo's transfer agent, evidencing the registration of the Payment Shares in accordance with the registration instructions set out in Exhibit A, free of any restrictive legends;

2.7.4 the Pooling Agreement, duly executed by Halo, as applicable;

2.7.5 the certificate of Halo required to be delivered pursuant to Section 7.2.4;

2.7.6 any consents, waivers or approvals required to be obtained by any Halo Group Member with respect to the completion of the Contemplated Transactions, including the consents, waivers, approvals and actions of or by, and all filings with and notifications to, any Governmental Authority pursuant to Section 7.1.1.; and

2.7.7 such other documents as may be required for the Acquisition and the Closing.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF THE COMPANY AND THE VENDORS

As an inducement to Halo to enter into this Agreement and to complete the Contemplated Transactions, the Company and the Vendors, severally, represent and warrant to Halo as set forth in this Article 3. The representations and warranties of the Company and the Vendors contained in this Agreement shall survive the completion of the Contemplated Transactions and shall expire and be terminated on the

earlier of one year after the Closing Time and the date on which this Agreement is terminated in accordance with its terms.

3.1 Organization and Authorization.

The Company (i) is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation; (ii) has the requisite corporate power and authority to own or lease and to operate and use its assets and properties and to carry on the Company Business as currently conducted; and (iii) is duly qualified or licensed to do business and is in good standing in British Columbia, which is the only jurisdiction in which the nature of the Company Business or the property or assets owned or leased or used by the Company makes such qualification or licensing necessary under Applicable Laws. The Company has the requisite corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to complete the Contemplated Transactions. This Agreement has been, executed and delivered by the Company, duly and validly executed and delivered by the Company, and (assuming due authorization, execution and delivery by the other Parties) this Agreement constitutes, a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to the Enforceability Limitations.

3.2 Organizational Documents and Corporate Records.

The Company has previously delivered or made available to Halo true and complete copies of the Company's Organizational Documents. The Company is not in default under or violation of any provision of its Organizational Documents. The Company has previously delivered or made available to Halo true and complete copies of the Company's minute books. The books and records of the Company are true and complete in all material respects and have been maintained in compliance with Applicable Laws.

3.3 No Conflicts; Required Consents.

3.3.1 The execution and delivery by the Company and the Vendors of this Agreement and the Pooling Agreement to which the Vendors are a party do not, and the completion by the Company or the Vendors of the Contemplated Transactions will not: (i) conflict with or violate any provision of the Company's Organizational Documents; or (ii) (A) conflict with or violate any Applicable Laws binding upon or applicable to the Company or any of its assets or properties; or (B) conflict with, violate, result in a breach of the terms, conditions or provisions of, constitute a default or an event that, with notice or lapse of time or both, would become a default under, give to others any rights of acceleration, termination or cancellation or a loss of rights under, or result in the creation or imposition of any Lien upon the 1275111 Shares or any assets or properties of the Company under, any Contract or License to which the Company is a party or by which the Company or any of its assets or properties is bound.

3.3.2 Except as disclosed in Section 3.3.2 of the 1275111 Disclosure Schedule, no consent, approval or authorization of, or registration, declaration or filing with, or notification to, any Governmental Authority or under any Contract is required to be obtained, made or given by the Company as a result of the execution, delivery and performance of this Agreement or the completion of the Contemplated Transactions.

3.4 Capitalization.

3.4.1 The authorized share capital of the Company consists of 100,000 1275111 Shares with a par value of CAD\$1.00 per 1275111 Share, of which 100,000 1275111 Shares are issued and outstanding as of the Agreement Date.

3.4.2 All 1275111 Shares of the Company have been duly authorized, are validly issued, fully paid and non-assessable, were not issued in violation of any Applicable Laws, and, are not subject to and were not issued in violation of any preemptive rights, rights of first refusal or rights of first offer.

3.4.3 Except for the 1275111 Shares, there are no outstanding: (i) shares or other voting securities or other equity interests of the Company; (ii) securities of the Company convertible into or exercisable or exchangeable for shares or other voting securities of the Company; (iii) subscriptions, options or other rights to acquire from the Company, or other obligation of the Company to issue or deliver, any shares, other voting securities, or securities convertible into or exercisable or exchangeable for shares or other voting securities, of the Company; (iv) bonds, debentures, notes or other Indebtedness of the Company having the right to vote (or convertible into or exercisable or exchangeable for securities having the right to vote) on any matters with the shareholders of the Company; or (v) stock appreciation, "phantom" stock or other equity equivalent rights with respect to the Company (the items in clauses (i) through (v) are collectively referred to as the "**Company Securities**").

3.4.4 (i) There are no outstanding obligations of the Company to repurchase, redeem or otherwise acquire any Company Securities; (ii) there are no agreements to register any Company Securities or sales or re-sales thereof under any applicable Securities Laws; and (iii) there are no shareholder agreements, voting trusts or other similar agreements or understandings to which the Company or, to the Knowledge of the Vendors, any holder of Company Securities is a party or otherwise bound in respect of any Company Securities, other than as contemplated herein.

3.5 **Investments.**

The Company does not directly or indirectly own, of record or beneficially, any securities or other equity interests in, or have any investment in or control, any Person.

3.6 **Financial Statements.**

3.6.1 The Company will, prior to the Closing Date, deliver or make available to Halo, true and complete copies of the 1275111 Financial Statements. The 1275111 Financial Statements (i) will be prepared from, and are in accordance with, the books of account and other financial records of the Company, which reflect only actual transactions; (ii) will be prepared in accordance with GAAP consistently applied during the periods involved; and (iii) will present fairly and accurately, in all material respects, the financial condition and results of operation of the Company as of the dates thereof or for the periods covered thereby.

3.6.2 All accounts, notes and other receivables reflected on the 1275111 Financial Statements will have arisen from *bona fide* transactions in the Ordinary Course of Business, and are or will be valid, genuine and fully collectible in the Ordinary Course of Business without resort to litigation or extraordinary collection activity, less any reserves for doubtful accounts reflected on the 1275111 Financial Statements.

3.7 **No Undisclosed Liabilities.**

The Company does not have any Liabilities in excess of an aggregate of \$2,500, which Liabilities will be disclosed in the 1275111 Financial Statements, other than Transaction Expenses.

3.8 **Indebtedness.**

3.8.1 Other than Transaction Expenses, (i) The Company has no Indebtedness; (ii) the Company has not guaranteed any Indebtedness of any Person; (iii) there are no Liens on any Company Securities; and (iv) other than Permitted Liens, there are no Liens on the assets or properties of the Company.

3.9 **Absence of Certain Changes.**

3.9.1 Since November 17, 2020 (the date of incorporation), the Company has conducted business only in the Ordinary Course of Business, and there has not been:

- (a) any change, condition, event or occurrence that has had or would reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect;
- (b) any material damage, destruction or other casualty loss (whether or not covered by insurance) affecting the business or the assets or properties of the Company; or
- (c) any action authorized or taken that, if authorized or taken after the Agreement Date, would constitute a breach of any covenant set forth in Section 6.1.2.

3.10 **Material Contracts.**

3.10.1 The Company is not a party to or otherwise bound by any Contract that imposes any Liability or obligation on the Company or which entitles the Company to any payment, in each case, in an amount in excess of CAD\$5,000 or more.

3.10.2 The Company is not a party to or bound by any Contract that purports to limit the ability of the Company (or would limit the ability of the Company or any Halo Group Member after Closing) to compete in any line of business or with any Person or to operate in any geographic area during any period of time.

3.11 **Legal Proceedings.**

There is no Action pending or, to the Knowledge of the Vendors, threatened against the Company. The Company is not subject to or otherwise bound by any Applicable Law that prohibits or limits in any material respect the conduct of the Company Business.

3.12 **Compliance with Laws.**

The Company has at all times conducted, and currently conducts, its business in compliance with all Applicable Laws. The Company and the Vendors have not received any notice of any violation of and, to the Knowledge of the Vendors, the Company is not under investigation or review by any Governmental Authority with respect to, and has not been threatened to be charged with, any violation of any Applicable Laws.

3.13 Licenses.

3.13.1 The Company holds or possesses, and is in compliance with, all Licenses required for the lawful conduct of the Company Business as currently conducted (the “**Company Required Licenses**”). The Company has not received any notice advising of the refusal to grant any License that has been applied for or is in process of being granted and there is no reason to believe that any such Governmental Authority is considering taking or would have reasonable ground to take any such action.

3.13.2 The Company does not hold cannabis or cannabis-related operations or interests in the United States (including, without limiting the generality of the foregoing, employees, facilities, royalty entitlements or investments in a United States based cannabis business), or sell or distribute cannabis into the United States.

3.14 Personal Property.

All material tangible personal property used or held for use in the operation or conduct of the Company Business, as currently conducted, has been reasonably maintained, is in good operating condition (with the exception of normal wear and tear) and is suitable for its present uses.

3.15 Intellectual Property.

3.15.1 The Company through its provisional patent exclusively owns and possesses valid and enforceable rights, title and interest in and to all Intellectual Property used in or necessary to operate its business, as disclosed in Section 3.15 of the 1275111 Disclosure Schedule, including without limitation the Design as defined in Section 3.15 of the 1275111 Disclosure Schedule (the “**Corporate IP**”), free and clear of any Liens, and no third party has been granted any license on such Intellectual Property.

3.15.2 In addition:

- (a) The Company’s prior and current use of the Corporate IP has not and does not infringe, violate, dilute or misappropriate the Intellectual Property of any Person and there are no claims pending or threatened by any Person with respect to ownership, validity, enforceability, effectiveness or use of the Corporate IP. The Company is not aware of any facts that indicate a likelihood of any of the foregoing. No Person has or is infringing, misappropriating, diluting or otherwise violating any of the Corporate IP, and neither the Company nor any affiliate of the Company has made or asserted any claim, demand or notice against any Person alleging any such infringement, misappropriation, dilution or other violation.
- (b) The Company has the right to use the Corporate IP. The Vendors do not own any right, title or interest in any Corporate IP. No current or former director or employee retains or claims to have any ownership or right to use the Corporate IP.
- (c) The Company has not disclosed or licensed, and the Company does not have a duty or obligation (whether present, contingent, or otherwise) to disclose or license the Design to any person. No event has occurred, and no circumstance or condition exists, that (with or without notice or lapse of time) will, or could reasonably be expected to, result in the disclosure or license of the Design to any person.

- (d) The Company has taken commercially reasonable steps under the circumstances to protect the secrecy, confidentiality and value of the Corporate IP and the Company has not received any requests from any Person for disclosure of the Design or any other source code making up any part of the Corporate IP.
- (e) The Company is not bound by any outstanding judgment, injunction, order or decree restricting the use of the Corporate IP or restricting the licensing thereof to any person or entity.

3.16 **Tax Matters.**

3.16.1 The Company: (i) timely filed (or has had timely filed on its behalf) each material Tax Return required to be filed or sent by it in respect of any Taxes, each of which was correctly completed and accurately reflected any liability for Taxes of the Company covered by such Tax Return in all material respects; (ii) timely and properly paid (or had paid on its behalf) all material Taxes due and payable by it for all Tax periods or portions thereof prior to Closing whether or not shown on such Tax Returns; (iii) established in the Company's books of account, in accordance with GAAP and consistent with past practices, adequate reserves for the payment of any material Taxes not then due and payable; and (iv) complied in all material respects with all Applicable Laws relating to the withholding of Taxes and the payment thereof. The Company has not incurred any liability for any material Taxes for the period commencing on November 17, 2020 (the date of incorporation) and ending on and including the Closing Date other than in the Ordinary Course of Business or in connection with the Contemplated Transactions.

3.16.2 The Company has made (or caused to be made on its behalf) all material estimated Tax payments required to have been made to avoid any underpayment penalties.

3.16.3 There are no material Liens for Taxes upon any assets of the Company, except Liens for Taxes not yet due. The Company has not requested any extension of time within which to file any material Tax Return, which Tax Return has not since been filed.

3.16.4 There is no material Tax Contest pending or, to the Knowledge of the Vendors, threatened against the Company.

3.16.5 No material deficiency for any Taxes has been proposed, asserted or assessed against the Company that has not been resolved and paid in full. No waiver, extension or comparable consent given by the Company regarding the application of the statute of limitations with respect to any material Taxes or any material Tax Return is outstanding, nor is any request for any such waiver or consent pending. There has been no material Tax audit or other administrative proceeding or court proceeding with regard to any Taxes or any Tax Return for any Tax year that is currently pending, nor has there been any notice from a Governmental Authority to the Company regarding any such Tax, audit or other proceeding, or, to the Knowledge of the Vendors, is any such Tax audit or other proceeding threatened with regard to any Taxes or Tax Returns. There are no material outstanding subpoenas or requests for information with respect to any of the Tax Returns of the Company.

3.16.6 The Company does not have any liability for any material Taxes in a jurisdiction where it does not file a Tax Return, nor has the Company received notice from a taxing authority in such a jurisdiction that it is or may be subject to taxation by that jurisdiction.

3.16.7 The Company is not a party to any material Tax allocation or sharing agreement.

3.16.8 The Company: (i) has not been a member of an affiliated group filing a consolidated Tax Return (other than a group the common parent of which was the Company) and (ii) does not have any material liability for the Taxes of any Person (other than the Company) as a transferee or successor, by Contract, or otherwise.

3.16.9 There are no circumstances existing which could result in the application of section 17, section 78, section 79, or sections 80 to 80.04 of the Tax Act, or any equivalent provision under applicable provincial law, to the Company. The Company has not claimed, and does not propose to claim, any reserve or credit under any provision of the Tax Act or any equivalent provincial provision, for any period prior to the Closing where any amount could be included in the income of the Company for any period ending after the Closing Date.

3.16.10 The Company 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 (within the meaning of the Tax Act) for an amount that is other than the fair market value of such property or services, nor has the Company been deemed to have done so for purposes of the Tax Act.

3.17 **Environmental Matters.**

The Company is in compliance in all respects with, and has no Liability of any nature or kind under, applicable Environmental Laws. The Company has not incurred any Liability with respect to Environmental Laws.

3.18 **Employment Matters.**

The Company does not have, and has not at any time had, any employees. The Company does not have, and has not at any time entered into, any employment agreement, independent contractor agreement, or consulting agreement with any Person. The Company does not have or maintain, nor has it ever had or maintained, any Employee Benefit Plan.

3.19 **Affiliate Transactions.**

The Company does not lease any assets or properties from, owe any amount to or use or hold in the Company Business any assets or properties of the Vendors or any Affiliate or associate thereof.

3.20 **Directors and Officers.**

Section 3.20 of the 1275111 Disclosure Schedule sets forth a true and complete list of all directors and officers of the Company.

3.21 **Insolvency.**

3.21.1 The Company is not insolvent, nor will it be rendered insolvent as a result of the completion of the Contemplated Transactions. For the purposes hereof, "insolvent" means that the sum of the debts and other probable Liabilities of the Company exceeds the present fair saleable value of its assets.

3.21.2 Immediately prior to the completion of the Contemplated Transactions, the Company will be able to pay its Liabilities as they become due in the Ordinary Course of Business.

3.22 No Broker.

No broker, finder, investment banker or other intermediary is entitled or has claimed to be entitled to any fee or commission in connection with the Contemplated Transactions based upon arrangements made by or on behalf of the Company.

**ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF THE VENDORS**

As an inducement to Halo to enter into this Agreement and to complete the Contemplated Transactions, the Vendors hereby severally represent and warrant to Halo as set forth in this Article 4. The representations and warranties of the Vendors contained in this Agreement shall survive the completion of the Contemplated Transactions and shall expire and be terminated on the earlier of one year after the Closing Time and the date on which this Agreement is terminated in accordance with its terms.

4.1 Authorization.

Each of the Vendors has the requisite power, authority and legal capacity to execute and deliver this Agreement and the Pooling Agreement to which such Vendor is a party, to perform its obligations hereunder and thereunder and to complete the Contemplated Transactions. This Agreement has been, and the Pooling Agreement to be executed and delivered by any Vendor at the Closing will be, duly and validly executed and delivered by such Vendor, and (assuming due authorization, execution and delivery by the other Parties) this Agreement constitutes, and the Pooling Agreement when so executed and delivered (assuming due authorization, execution and delivery by the other parties thereto) will constitute, the legal, valid and binding obligation of such Vendor, enforceable against such Vendor in accordance with their respective terms, subject to the Enforceability Limitations.

4.2 No Conflicts; Required Consents.

4.2.1 The execution and delivery by the Vendors of this Agreement and the Pooling Agreement to which any Vendor is a party do not, and the completion by the Vendors of the Contemplated Transactions will not: (i) conflict with or violate any Applicable Laws binding upon or applicable to the Vendors, or any of his/her 1275111 Shares; or (ii) conflict with, violate, result in a breach of the terms, conditions or provisions of, constitute a default or an event that, with notice or lapse of time or both, would become a default under, give to others any rights of acceleration, termination or cancellation or a loss of rights under, or result in the creation or imposition of any Lien upon the 1275111 Shares under, any Contract or License to which any Vendor is a party or by which any Vendor is bound.

4.2.2 Except as disclosed in Section 4.2.2 of the 1275111 Disclosure Schedule, no consents, approval or authorization of, or registration, declaration or filing with, or notification to, any Governmental Authority or under any Contract is required to be obtained, made or given by the Vendors as a result of his/her execution, delivery and performance of this Agreement or the completion of the Contemplated Transactions.

4.3 **Ownership of the 1275111 Shares.**

Each of the Vendors owns, beneficially and of record, and has good and valid title to, the number of 1275111 Shares set forth opposite such Vendor's name on Annex 1, free and clear of any and all Liens. Except as set forth in the Organizational Documents of the Company, there are no limitations or restrictions on the Vendors' right to sell or transfer the 1275111 Shares owned by the Vendors.

4.4 **Legal Proceedings.**

There is no Action pending or, to the knowledge of the Vendors, threatened against or affecting any Vendor that, if determined or resolved adversely to any Vendor, would have a Company Material Adverse Effect on such Vendor's ability to perform his/her obligations hereunder or to timely complete the Contemplated Transactions.

4.5 **Insolvency.**

Each of the Vendors is not an insolvent Person and will not be rendered insolvent as a result of the completion of the Contemplated Transactions.

4.6 **Halo Shares.**

4.6.1 The Halo Shares to be issued to the Vendors in connection with the Contemplated Transactions are being acquired as principal for the Vendor's own account for investment and will not be transferred by the Vendor in violation of Applicable Laws. No Person other than the Vendors has any interest in or any right to acquire the Halo Shares issuable to the Vendors. The Vendors' financial condition is such that each of the Vendors is able to bear the risk of holding such Halo Shares for an indefinite period of time and the risk of loss of such Vendor's entire investment in Halo.

4.6.2 The Vendors have performed their own due diligence investigation with respect to the acquisition of the Halo Shares to the extent the Vendors have deemed necessary or desirable. No representations or warranties have been made to the Vendors by Halo or any stockholder, officer, director, employee, agent or representative of Halo, other than as set forth in this Agreement.

4.6.3 The Vendors acknowledge that Halo is relying on an exemption from the requirement to provide the Vendors with a prospectus under Applicable Laws and, as a consequence of acquiring the Halo Shares pursuant to such exemption, certain protections, rights and remedies provided by the Applicable Laws will not be available to the Vendors.

4.6.4 Each of the Vendors is not a "non-resident" of Canada within the meaning of the Tax Act.

4.6.5 Each of the Vendors is not a U.S. Person and is not acquiring Halo Shares for the account or benefit of a U.S. Person or a Person in the United States.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF HALO

As an inducement to the Vendors to enter into this Agreement and to complete the Contemplated Transactions, Halo hereby represents and warrants to the Vendors as set forth in this Article 5. The representations and warranties of Halo contained in this Agreement shall survive the completion of the

Contemplated Transactions and shall expire and be terminated on the earlier of one year after the Closing Time and the date on which this Agreement is terminated in accordance with its terms.

5.1 Organization.

Halo (i) is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation; (ii) has the requisite corporate power and authority to own or lease and to operate and use its assets and properties and to carry on the Halo Business as currently conducted; and (iii) is duly qualified or licensed to do business and is in good standing in each jurisdiction in which the nature of the Halo Business or the property or assets owned or leased or used by Halo makes such qualification or licensing necessary under Applicable Laws.

5.2 Authorization.

Halo has the requisite corporate power and authority to execute and deliver this Agreement and the Pooling Agreement to which it is a party, to perform its obligations hereunder and thereunder and to complete the Contemplated Transactions. This Agreement has been, and the Pooling Agreement to be executed and delivered by Halo at the Closing will be, duly and validly executed and delivered by Halo, and (assuming due authorization, execution and delivery by the Company and the Vendors) this Agreement constitutes, and upon their execution and delivery the Pooling Agreement (assuming due authorization, execution and delivery by the other parties thereto) will constitute, the legal, valid and binding obligation of Halo, enforceable against Halo in accordance with their respective terms, subject to the Enforceability Limitations.

5.3 Organizational Documents and Corporate Records.

Halo has previously delivered or made available to the Company true and complete copies of Halo's Organizational Documents. Halo is not in default under or violation of any provision of its Organizational Documents. The books and records of Halo are true and complete in all material respects and have been maintained in compliance with Applicable Laws.

5.4 No Conflicts; Required Consents.

5.4.1 The execution and delivery by Halo of this Agreement and the Pooling Agreement to which Halo is a party do not, and the completion by Halo of the Contemplated Transactions will not, (i) conflict with or violate any provision of Halo's Organizational Documents; or (ii) (A) conflict with or violate any Applicable Laws binding upon or applicable to Halo or any of its material assets or properties; or (B) conflict with, violate, result in a breach of the terms, conditions or provisions of, constitute a default or an event that, with notice or lapse of time or both, would become a default under, give to others any rights of acceleration, termination or cancellation or a loss of rights under, or result in the creation or imposition of any Lien upon the Halo Shares or any assets or properties of Halo under, any material Contract or License to which Halo is a party or by which Halo or any of its material assets or properties is bound.

5.4.2 No consent, approval or authorization of, or registration, declaration or filing with, or notification to, any Governmental Authority or any other third party is required to be obtained, made or given by Halo as a result of the execution, delivery and performance of this Agreement by it or the completion of the Contemplated Transactions, except the approval of the NEO Exchange and the filings with Governmental Authorities and payments required by securities and corporate laws.

5.5 Capitalization.

5.5.1 The authorized share capital of Halo consists of: (i) an unlimited number of Halo Shares, of which 1,197,168,553 Halo Shares are issued and outstanding as of the Agreement Date; and (ii) an aggregate of up to (A) 93,088,637 Halo Shares are issuable upon the exercise of stock options, (B) 120,175,896 Halo Shares are issuable upon the exercise warrants, and (C) 19,506,178 Halo Shares are issuable upon conversion of convertible debentures, as of the Agreement Date.

5.5.2 Except as set forth in the Halo Disclosure Record, there are no outstanding: (i) shares or other voting securities or other equity interests of Halo; (ii) securities of Halo convertible into or exercisable or exchangeable for shares or other voting securities of Halo; (iii) subscriptions, options or rights to acquire from Halo, or other obligation of Halo to issue or deliver, any shares, other voting securities, or securities convertible into or exercisable or exchangeable for shares or other voting securities, of Halo; (iv) bonds, debentures, notes or other Indebtedness of Halo having the right to vote (or convertible into or exercisable or exchangeable for securities having the right to vote) on any matters with the shareholders of Halo; or (v) stock appreciation, "phantom" stock or other equity equivalent rights with respect to Halo (the items in clauses (i) through (v) are collectively referred to as the "**Halo Securities**").

5.5.3 Except as set forth in the Halo Disclosure Record, (i) there are no outstanding obligations of Halo to repurchase, redeem or otherwise acquire any Halo Securities; (ii) there are no agreements to register any Halo Securities or sale or re-sales thereof under any applicable Securities Laws; and (iii) there are no shareholder agreements, voting trusts or other similar agreements or understandings to which Halo or, to the Knowledge of Halo, any holder of Halo Securities is a party or otherwise bound in respect of any Halo Securities.

5.6 Subsidiaries and Investments.

The Halo Disclosure Record sets forth a true and complete list of Halo's ownership, whether direct or indirect, or of record or beneficial, of all securities or other equity interests in, or investment in or control of, any Person.

5.7 Financial Statements.

5.7.1 The Halo Disclosure Record contains the Halo Financial Statements. The Halo Financial Statements (i) have been prepared from, and are in accordance with, the books of account and other financial records of the Halo Group Members, which reflect only actual transactions; (ii) have been prepared in accordance with GAAP consistently applied during the periods involved; and (iii) present fairly and accurately, in all material respects, the financial condition and results of operation of the Halo Group Member, as applicable, as of the dates thereof or for the periods covered thereby.

5.7.2 All accounts, notes and other receivables reflected on the Halo Financial Statements have arisen from *bona fide* transactions in the Ordinary Course of Business, and are or will be valid, genuine and fully collectible in the Ordinary Course of Business without resort to litigation or extraordinary collection activity, less any reserves for doubtful accounts reflected on the Halo Financial Statements.

5.8 **No Undisclosed Liabilities.**

Except as set forth in the Halo Disclosure Record, no Halo Group Member has any Liabilities, other than Liabilities: (i) disclosed in the Halo Financial Statements; or (ii) similar in nature and amount to those disclosed in the Halo Financial Statements that have been incurred since December 31, 2019 in the Ordinary Course of Business and not in violation of this Agreement.

5.9 **Indebtedness.**

Except for the Indebtedness described in Halo Disclosure Record: (i) no Halo Group Member has any material Indebtedness; (ii) no Halo Group Member has guaranteed any Indebtedness of any Person; (iii) there are no material Liens on any Halo Securities; and (iv) other than Permitted Liens, there are no Liens on the assets or properties of any Halo Group Member.

5.10 **Material Contracts.**

The Halo Disclosure Record includes the material contracts of the Halo Group Members required to be made available to the public in accordance with Applicable Law. Halo's material contracts are in full force and effect in accordance with their terms and no Halo Group Member thereto is in any material breach of or default under any such Contract.

5.11 **Legal Proceedings.**

There is no Action pending or, to the Knowledge of Halo, threatened against any Halo Group Member. No Halo Group Member is subject to or otherwise bound by any Applicable Laws (other than in respect of U.S. Cannabis Laws) that prohibits or limits in any material respect the conduct of the Halo Business.

5.12 **Compliance with Laws.**

Each Halo Group Member has at all times conducted, and currently conducts, its business in compliance with all Applicable Laws (other than in respect of U.S. Cannabis Laws). None of the Halo Group Members has received any notice of any violation of and, to the Knowledge of Halo, no Halo Group Member is under investigation or review by any Governmental Authority with respect to or has been threatened to be charged with any violation of any Applicable Laws.

5.13 **Licenses.**

5.13.1 Except as set forth in the Halo Disclosure Record, each Halo Group Member holds or possesses, and each is in compliance with, all Licenses required for the lawful conduct of the Halo Business as currently conducted (the "**Halo Required Licenses**"). No Halo Group Member has received any notice advising of the refusal to grant any License that has been applied for or is in process of being granted and there is no reason to believe that any such Governmental Authority is considering taking or would have reasonable ground to take any such action.

5.13.2 Except as set forth in the Halo Disclosure Record, no Halo Group Member holds cannabis or cannabis-related operations or interests in the United States (including, without limiting the generality of the foregoing, employees, facilities, royalty entitlements or investments in a United States based cannabis business), or sells or distributes cannabis into the United States.

5.14 **Title to and Sufficiency of Assets.**

The Halo Group Members have, and at the Closing will have, good, valid and marketable title to, or in the case of leased assets and properties a valid leasehold interest in, all of the assets and properties that each Halo Group Member purports to own or lease, in each case free and clear of any and all Liens (other than Permitted Liens). There is no Contract granting any Person any option to purchase the assets or properties of any Halo Group Member or any portion thereof outside of the Ordinary Course of Business. The assets and properties owned or leased by the Halo Group Members constitute all of the assets and properties required to conduct the Halo Business in the manner and to the extent now conducted.

5.15 **Tax Matters.**

5.15.1 Each Halo Group Member: (i) timely filed (or has had timely filed on its behalf) each material Tax Return required to be filed or sent by it in respect of any Taxes, each of which was correctly completed and accurately reflected any liability for Taxes of such Halo Group Member covered by such Tax Return in all material respects; (ii) timely and properly paid (or had paid on its behalf) all material Taxes due and payable by it for all Tax periods or portions thereof prior to Closing whether or not shown on such Tax Returns; (iii) established in such entity's books of account, in accordance with GAAP and consistent with past practices, adequate reserves for the payment of any material Taxes not then due and payable; and (iv) complied in all material respects with all Applicable Laws relating to the withholding of Taxes and the payment thereof. No Halo Group Member will incur any liability for any material Taxes for the period commencing on January 1, 2020 and ending on and including the Closing Date other than in the Ordinary Course of Business or in connection with the Contemplated Transactions.

5.15.2 Each Halo Group Member has made (or caused to be made on its behalf) all material estimated Tax payments required to have been made to avoid any underpayment penalties.

5.15.3 There are no material Liens for Taxes upon any assets of any Halo Group Member, except Liens for Taxes not yet due. No Halo Group Member has requested any extension of time within which to file any material Tax Return, which material Tax Return has not since been filed.

5.15.4 There is no material Tax Contest pending or, to the Knowledge of Halo, threatened against any Halo Group Member.

5.15.5 No material deficiency for any Taxes has been proposed, asserted or assessed against any Halo Group Member that has not been resolved and paid in full. No waiver, extension or comparable consent given by any Halo Group Member regarding the application of the statute of limitations with respect to any material Taxes or any material Tax Return is outstanding, nor is any request for any such waiver or consent pending. There has been no material Tax audit or other administrative proceeding or court proceeding with regard to any Taxes or any Tax Return for any Tax year that is currently pending, nor has there been any notice from a Governmental Authority to any Halo Group Member regarding any such Tax, audit or other proceeding, or, to the Knowledge of Halo, is any such Tax audit or other proceeding threatened with regard to any Taxes or Tax Returns. There are no material outstanding subpoenas or requests for information with respect to any of the Tax Returns of any Halo Group Member.

5.15.6 No Halo Group Member has any liability for any material Taxes in a jurisdiction where it does not file a Tax Return, nor has any Halo Group Member received notice from a taxing authority in such a jurisdiction that it is or may be subject to taxation by that jurisdiction.

5.15.7 No Halo Group Member is party to any material Tax allocation or sharing agreement.

5.15.8 Halo: (i) has not been a member of an affiliated group filing a consolidated Tax Return (other than a group the common parent of which was Halo) and (ii) does not have any material liability for the Taxes of any Person (other than Halo) as a transferee or successor, by Contract, or otherwise.

5.15.9 No Halo Group Member has 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 (within the meaning of the Tax Act) for an amount that is other than the fair market value of such property or services, nor has any Halo Group Member been deemed to have done so for purposes of the Tax Act.

5.16 **Environmental Matters.**

Each Halo Group Member is in material compliance in all respects with, and has no material Liability of any nature or kind under, applicable Environmental Laws. No Halo Group Member has incurred any material Liability with respect to Environmental Laws, including, for certainty, any Liability arising out of any fact or matter relating to any other Halo Group Member.

5.17 **Insolvency.**

No Halo Group Member is insolvent, nor will it be rendered insolvent as a result of the completion of the Contemplated Transactions. For the purposes hereof, "insolvent" means that the sum of the debts and other probable Liabilities of any Halo Group Member exceeds the present fair saleable value of its assets.

5.18 **Due Issuance.**

The Halo Shares, when issued and delivered in accordance with this Agreement, will be duly authorized, validly issued, fully paid and non-assessable, and will not be issued in violation of any Applicable Laws, and will not be subject to and will not be issued in violation of any preemptive rights, rights of first refusal or rights of first offer.

5.19 **No Orders.**

No Governmental Authority has issued any order which is currently outstanding preventing or suspending trading in any securities of Halo, and no such proceeding is, to the Knowledge of Halo, pending, contemplated or threatened. Halo does not have in place a shareholder right protection plan.

ARTICLE 6 COVENANTS

6.1 Interim Operations.

6.1.1 From the Agreement Date until the earlier of the Closing Date or the date, if any, on which this Agreement is terminated pursuant to Section 9.1 (the "**Termination Date**"), except as otherwise provided in this Agreement:

6.1.1.1 the Company will, and the Vendors will cause the Company to: (i) conduct the Company Business only in the Ordinary Course of Business; and (ii) use its commercially reasonable efforts to preserve intact the business organization and goodwill of the Company Business and to maintain the Company relationships with its customers, clients and other Persons having business dealings with the Company; and

6.1.1.2 Halo will (i) conduct the Halo Business only in the Ordinary Course of Business; and (ii) use its commercially reasonable efforts to preserve intact the business organization and goodwill of the Halo Business and to maintain the Halo relationships with its customers, clients and other Persons having business dealings with Halo.

6.1.2 Without limiting the generality of the foregoing, except as expressly permitted or required by this Agreement or as approved in writing by Halo, from the Agreement Date until the earlier of the Closing Time or the termination of this Agreement in accordance with its terms, the Company will not, and the Vendors will not permit the Company to:

6.1.2.1 amend or otherwise change its Organizational Documents;

6.1.2.2 take any action that would permit any Lien over any cash assets of the Company;

6.1.2.3 authorize, issue, sell or transfer any share capital or other equity interests of the Company or any securities convertible into or exercisable or exchangeable for share capital or other equity interests of the Company, or adjust, split or reclassify any share capital or other equity interests of the Company;

6.1.2.4 declare, set aside, make or pay any dividend or other distribution (whether in cash, stock or other property) in respect of any share capital or other equity interests of the Company;

6.1.2.5 merge or consolidate with any other Person or acquire any business or assets of any other Person (whether by merger, stock purchase, asset purchase or otherwise), or form any Subsidiary;

6.1.2.6 adopt a plan of complete or partial liquidation, dissolution, restructuring, recapitalization or other reorganization;

6.1.2.7 make any material change in the operation of business, except such changes as may be required to comply with this Agreement, the Pooling Agreement or any Applicable Laws;

6.1.2.8 make, authorize or make any commitment with respect to, any single capital expenditure that is in excess of CAD\$1,000 or capital expenditures that are, in the aggregate, in excess of CAD\$5,000;

6.1.2.9 except in connection with operations in the Ordinary Course of Business and upon terms not materially adverse to the Company, amend in any material respect, or terminate (other than in accordance with its terms) any Contract material to the Company Business, or waive, release or assign any material rights or claims thereunder;

6.1.2.10 except in connection with operations in the Ordinary Course of Business and upon terms not materially adverse to the Company, enter into any Contract material to the Company Business: (i) that has a term of, or requires the performance of any obligations over a period in excess of one month; or (ii) that cannot be terminated without penalty on less than one (1) months' notice;

6.1.2.11 sell, lease (as lessor), transfer or otherwise dispose of, or mortgage, encumber, pledge or impose any Lien on, any of its assets or properties, other than dispositions of immaterial assets or properties for fair value in the Ordinary Course of Business;

6.1.2.12 create, incur, assume or guarantee any Indebtedness, other than Transaction Expenses, or extend or modify any existing Indebtedness;

6.1.2.13 make any loans, advances or capital contributions to, or investments in, any Person;

6.1.2.14 cancel any debts owed to, or waive any material claims or rights held by the Company;

6.1.2.15 commence, settle or compromise any Action by or against the Company, other than settlements entered into in the Ordinary Course of Business and requiring only the payment of monetary Damages in an aggregate amount not to exceed CAD\$1,000;

6.1.2.16 incur expenses (including legal or other professional fees) in excess of CAD\$10,000 in the aggregate in connection with any ongoing, new or proposed Action involving or relating to the Company, but excluding any Transaction Expenses;

6.1.2.17 except as required by Applicable Laws or any existing Contract in effect on the Agreement Date: (i) institute or announce any increase in the compensation, bonuses or other benefits payable to any of its executive employees or consultants; (ii) enter into or amend any employment, consulting, severance or change of control agreement with any such Person; or (iii) enter into or adopt any Employee Benefit Plan;

6.1.2.18 enter into any transaction with any of its Affiliates, except transactions that are at prices and on terms and conditions not less favorable to the Company than could be obtained on an arm's-length basis from unrelated third parties;

6.1.2.19 make any change in the accounting methods, principles or policies of the Company, other than any change required by Applicable Laws or a change in GAAP;

6.1.2.20 fail to file any material Tax Return when due or pay any material Tax when due (other than Taxes being contested in good faith), or make or change any Tax election;

6.1.2.21 fail to pay any accounts payable when due or within a reasonable period of time thereafter (other than amounts being contested in good faith) or fail to use commercially reasonable efforts to collect any accounts receivable when due;

6.1.2.22 fail to renew or otherwise keep in full force and effect any material License relating to the Company Business;

6.1.2.23 fail to use its best efforts to take all required steps and actions (including the payment of all fees and expenses) necessary to obtain, and maintain in good standing, any Company Required License; or

6.1.2.24 enter into any Contract with respect to any of the foregoing.

6.2 Access to Information.

From the Agreement Date until the earlier of the Closing Date or the Termination Date:

6.2.1 the Company will (and the Vendors will cause the Company to), subject to compliance with Applicable Laws, furnish to Halo and its authorized representatives such additional information relating to the Company and the Company Business as Halo may reasonably request; and

6.2.2 Halo will, subject to compliance with Applicable Laws, furnish to the Vendors and their authorized representatives such additional information relating to Halo and any other Halo Group Members and the Halo Business as the Vendors may reasonably request.

6.3 Notice of Certain Events.

6.3.1 From the Agreement Date until the earlier of the Closing Date or the Termination Date, the Company will (and the Vendors will cause the Company to) promptly notify Halo in writing of: (i) any Company Material Adverse Effect; (ii) any breach of or default under this Agreement, or any event that would reasonably be expected to become a breach or default under this Agreement on or prior to the Closing; (iii) any notice or other communication from any third Person (including any Governmental Authority) alleging any required consent of such third Person (or Governmental Authority) is or may be required in connection with the Contemplated Transactions; (iv) any Actions commenced or, to the Knowledge of the Vendors, threatened against the Company that, if pending on the Agreement Date, would have been required to have been disclosed pursuant to Section 3.11 or that relate to the completion of the Contemplated Transactions; and (v) any communications from any Governmental Authority relating to any License held or applied for by the Company.

6.3.2 From the Agreement Date until the earlier of the Closing Date or the Termination Date, Halo will promptly notify the Vendors in writing of: (i) any Halo Material Adverse Effect; (ii) breach of or default under this Agreement, or any event that would reasonably be expected to become a breach or default under this Agreement on or prior to the Closing; (iii) any notice or other communication from any third Person (including any Governmental Authority) alleging that any required consent of such third Person (or Governmental Authority) is or may be required in connection with the Contemplated Transactions; (iv) any Actions commenced or, to the Knowledge of Halo, threatened against any Halo Group Member that, if pending on the Agreement Date, would

have been required to have been disclosed pursuant to Section 5.11 or that relate to the completion of the Contemplated Transactions; and (v) any communications from any Governmental Authority relating to any License held or applied for by any Halo Group Member.

6.4 **Efforts.**

Subject to the terms and conditions of this Agreement, each Party will use its commercially reasonable efforts to satisfy the conditions to Closing to be satisfied by it under Article 7 and to cause the Closing to occur and to take, or cause to be taken, all actions, to file, or cause to be filed, all documents and to do, or cause to be done, and to assist and cooperate with the other Parties in doing, all things necessary, proper or advisable to complete and make effective, in the most expeditious manner practicable, the Contemplated Transactions.

6.5 **Exclusivity.**

From the Agreement Date until the earlier of the Closing Time and the termination of this Agreement in accordance with its terms, except with the prior written consent of Halo, the Vendors and the Company will not (and will cause all directors, officers, employees, agents, representatives and Affiliates acting on their behalf and on behalf of the Company not to): (i) Solicit, initiate, encourage or accept any offer or proposal from any Person (other than the Halo Group Members and their respective representatives) concerning any merger, consolidation, sale or transfer of material assets, sale or transfer of any equity interests or other business combination involving the Company (an "**Acquisition Proposal**"); (ii) engage in any discussions or negotiations with any Person (other than the Halo Group Members and their respective representatives) concerning any Acquisition Proposal; or (iii) furnish any non-public information concerning the business, properties or assets of the Company to any Person (other than the Halo Group Members and their respective representatives), except as required to comply with any Applicable Laws or this Agreement or except in the Ordinary Course of Business. The Vendors and the Company will (and will cause the directors, officers, employees, agents, representatives and Affiliates acting on their behalf and on behalf of the Company to) immediately cease and cause to be terminated all existing discussions, negotiations or other communications with any Persons conducted heretofore with respect to any of the foregoing. The Vendors will immediately notify Halo in writing upon receipt by the Company, or any Vendor, of any proposal, offer or inquiry regarding an Acquisition Proposal, which notice will indicate in reasonable detail the identity of the Person making such proposal, offer or inquiry and the terms and conditions of any such Acquisition Proposal.

6.6 **Confidentiality.**

6.6.1 Except with respect to an announcement pursuant to Section 11.12 of the Contemplated Transactions, no Party shall disclose this Agreement, the Pooling Agreement or any other aspects of the Contemplated Transactions to any Person except (i) to its board of directors, senior management, employees and legal, accounting, financial or other professional advisors, but, in each case only to the extent that such representatives have been informed of the confidential nature of such information and are bound by an obligation to maintain the confidentiality of such information, (ii) as is required to enforce its rights or the obligations of another Party under this Agreement or the Pooling Agreement, or (iii) as may be required by any Applicable Laws and, then, only in compliance with Section 6.6.2.

6.6.2 In the event that a Party or any of its representatives is required by any Applicable Law in any proceeding to disclose this Agreement, the Pooling Agreement or any aspects of the

Contemplated Transactions, such Party will provide the other Parties with prompt prior notice so that the other Parties (or any of them) may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement. In the event that no other Party is able to obtain such protective order or other appropriate remedy, the first Party will furnish only that portion of this Agreement, the Pooling Agreement or the aspects of the Contemplated Transactions which it is advised by a written opinion of counsel is legally required, and will give the other Parties written notice of the information to be disclosed as far in advance as practicable, and will exercise commercially reasonable efforts to obtain a protective order or other reliable assurance that confidential treatment will be accorded the information so disclosed.

6.7 Expenses.

Halo will bear and pay all of their costs and expenses (including the fees and expenses of Halo's and 1275111's counsel, accountants and other advisors) incurred in connection with this Agreement and the Contemplated Transactions, whether or not the Contemplated Transactions are completed. The Company will not be responsible or liable for and will not pay any costs or expenses incurred in connection with this Agreement and the Contemplated Transactions (including the fees and expenses of any counsel, accountant or other advisor retained by or for the benefit of any such Person).

6.8 Non-Competition.

From and after the Closing, each of the Vendors agree that the Vendors will not, during the period commencing as of the Closing Date and ending on the date that is 12 months thereafter, for any reason, without the Halo's express prior written consent, directly or indirectly, either as an individual or in conjunction with any other Person, whether acting as a principal, agent, employee, independent contractor or in any other capacity whatsoever, within the United States and Canada, advise, manage, carry-on, be engaged in, concerned with, have an interest in or permit the Vendor's name or any part thereof to be used or employed by any company or business entity that is engaged in the Company Business.

6.9 Further Assurances.

At any time and from time to time following the Closing, at the reasonable request of any Party, each Party will execute and deliver, or cause to be executed and delivered, such other documents and instruments and will take, or cause to be taken, such further or other actions as any other Party may reasonably request or as otherwise may be reasonably necessary or desirable to evidence and make effective the Contemplated Transactions.

6.10 Termination of Certain Arrangements.

On or prior to the Closing Date, all payables, receivables, loans, Liabilities and other obligations between the Company, on the one hand, and a Vendor or his/her respective Affiliates, on the other hand, will be repaid in full and extinguished.

ARTICLE 7 CONDITIONS PRECEDENT

7.1 Conditions to the Obligations of the Parties.

The obligations of the Parties to complete the Contemplated Transactions are subject to the satisfaction or (to the extent permitted by Applicable Laws) waiver by Halo and the Vendors, on or prior to the Closing Date, of each of the following conditions:

7.1.1 Governmental Approvals. All consents, approvals and actions of or by, and all filings with and notifications to, any Governmental Authority required to complete the Contemplated Transactions will have been obtained, taken or made, as applicable, and will remain in full force and effect.

7.1.2 No Prohibitions. No provision of any Applicable Laws will prohibit or otherwise challenge the legality or validity of the Contemplated Transactions.

7.2 Conditions to the Obligations of the Vendors and the Company.

The obligations of the Vendors and the Company to complete the Contemplated Transactions are subject to the satisfaction or (to the extent permitted by Applicable Laws) waiver by the Vendors, on or prior to the Closing Date, of each of the following further conditions:

7.2.1 Accuracy of Representations and Warranties. Each of the representations and warranties of Halo set forth in this Agreement; (i) that is qualified by materiality or Halo Material Adverse Effect will be true and correct in all respects; and (ii) that is not so qualified will be true and correct in all material respects, in each case at and as of the Closing Date as if made on and as of the Closing Date (except to the extent that any such representations and warranties speak expressly as of an earlier date, in which case they will be true and correct, or true and correct in all material respects, as the case may be, as of such earlier date).

7.2.2 Performance of Covenants. Halo will have performed or complied in all material respects with all covenants, agreements and obligations required by this Agreement to be performed or complied with by Halo on or prior to the Closing Date.

7.2.3 No Halo Material Adverse Effect. Between the Agreement Date and the Closing Date, there will have been no Halo Material Adverse Effect.

7.2.4 Certificate of Compliance. Halo will have delivered to the Vendors a certificate dated the Closing Date, signed by an authorized officer of Halo, certifying as to the satisfaction of the conditions set forth in Section 7.2.1, Section 7.2.2 and Section 7.2.3.

7.2.5 Third Party Consents. Halo will have obtained the written consents of, or given notifications (to the extent only notification is required) to, the NEO Exchange, and any other third party or Governmental Authority that Applicable Law requires consent or notification, in each case in form and substance reasonably satisfactory to the Vendors, and all such consents will remain in full force and effect.

7.2.6 Receipt of Closing Deliveries. Halo will have executed and delivered, or caused to be executed and delivered, all of the agreements, certificates and other documents specified in Section 2.7.

7.2.7 Halo Shares. Halo shall deliver to the Vendors certificates or DRS statements evidencing the Payment Shares issuable pursuant to Section 2.2.

7.3 **Conditions to the Obligations of Halo.**

The obligations of Halo to complete the Contemplated Transactions are subject to the satisfaction or (to the extent permitted by Applicable Laws) waiver by Halo, on or prior to the Closing Date, of each of the following further conditions:

7.3.1 Accuracy of Representations and Warranties. Each of the representations and warranties of the Vendors and the Company set forth in this Agreement and in any certificate or other writing delivered by them pursuant hereto: (i) that is qualified by materiality or Company Material Adverse Effect will be true and correct in all respects; and (ii) that is not so qualified will be true and correct in all material respects, in each case at and as of the Closing Date as if made on and as of the Closing Date (except to the extent that any such representations and warranties speak expressly as of an earlier date, in which case they will be true and correct, or true and correct in all material respects, as the case may be, as of such earlier date).

7.3.2 Performance of Covenants. The Company and the Vendors have performed or complied in all material respects with all covenants, agreements and obligations required by this Agreement to be performed or complied with by the Company or any of the Vendors on or prior to the Closing Date.

7.3.3 No Company Material Adverse Effect. Between the Agreement Date and the Closing Date, there will have been no Company Material Adverse Effect.

7.3.4 Certificate of Compliance. The Vendors will have delivered to Halo a certificate dated the Closing Date, signed by the Vendors, certifying as to the satisfaction of the conditions set forth in Section 7.3.1, Section 7.3.2 and Section 7.3.3.

7.3.5 Third Party Consents. The Company and the Vendors will have obtained the written consents of, or given notifications (to the extent only notification is required) to, each of the third parties set forth in Section 3.3.2 and Section 4.2.2 of the 1275111 Disclosure Schedule, in each case in form and substance reasonably satisfactory to Halo, and all such consents will remain in full force and effect.

7.3.6 Board Approval. The board of directors of the Company will have approved the Acquisition.

7.3.7 No Outstanding Securities. As of Closing there will be no outstanding securities of the Company which are convertible into or exercisable or exchangeable for 1275111 Shares or other securities of the Company.

7.3.8 Receipt of Closing Deliveries. The Company and the Vendors will, as applicable, have executed and delivered, or caused to be executed and delivered, all of the agreements, certificates and other documents specified in Section 2.6, all in form and substance reasonably satisfactory to Halo.

7.3.9 Rectification of Minute Book Deficiencies. The Company will have rectified its corporate records related to the issuance of 1275111 Shares to the Vendors, and any other minute book deficiencies.

7.3.10 1275111 Disclosure Schedule. The Company and the Vendors shall have delivered to Halo the 1275111 Disclosure Schedule in the form and substance reasonably satisfactory to Halo. The disclosure in the 1275111 Disclosure Schedule shall have not materially modified the representations and warranties of the Company and the Vendors.

7.3.11 12575111 Financial Statements. The Company shall have delivered the 1257111 Financial Statements to Halo, which financial statements shall not be materially different from the representations and warranties of the Company and the Vendors as set out herein.

ARTICLE 8 INDEMNIFICATION

8.1 Indemnity by the Vendors.

8.1.1 The Vendors (the "**Indemnifying Parties**") will each severally indemnify Halo, Halo's Affiliates, the Company and their respective representatives (each an "**Indemnified Party**") and defend and save them fully harmless against, and will reimburse them for, any Damages arising from, in connection with or related in any manner whatsoever to any material incorrectness in or material breach of any representation or warranty in Section 3.15 as at the Closing Date.

8.1.2 For greater certainty and without limiting the generality of the foregoing provision, the indemnity provided for in this Section 8.1 will extend to any Damages arising from any act, omission or state of facts that occurred or existed prior to the Closing Date.

8.2 Claim Notice.

If an Indemnified Party becomes aware of any act, omission or state of facts that may give rise to Damages in respect of which a right of indemnification is provided for under this Article 8, the Indemnified Party will promptly give written notice thereof (a "**Claim Notice**") to the Indemnifying Parties. The Claim Notice will specify whether the potential Damages arise as a result of a claim by a Person against the Indemnified Party (a "**Third Party Claim**") or whether the potential Damages arise as a result of a claim directly by the Indemnified Party against the Indemnifying Parties (a "**Direct Claim**"), and will also specify with reasonable particularity (to the extent that the information is available):

- (a) the factual basis for the Direct Claim or Third Party Claim, as the case may be; and
- (b) the amount of the potential Damages arising therefrom, to the extent known.

8.3 Time Limits for Claim Notice for Breach of Representations and Warranties.

No Damages may be recovered from the Vendors pursuant to Section 8.1 unless (subject to the Fraud Claim exception below) a Claim Notice is delivered by the applicable Indemnified Party on or before the date that is 18 months after Closing, provided, however, that in the event of a Fraud Claim relating to any applicable representation and warranty, then notwithstanding the foregoing time limitations, the Indemnified Parties will be entitled to deliver a Claim Notice at any time for purposes of such a claim.

8.4 **Limitation of Liability.**

The aggregate amount of all Damages for which the Vendors will be liable to Halo will not exceed 10% of the value of the Halo Shares received by such person at Closing, which is up to an aggregate of CAD\$811,114.

8.5 **Calculation of Damages.**

The calculation of Damages payable to an Indemnified Party will not be affected by any inspection or inquiries made by on or behalf of the Party entitled to be indemnified under this Article 8.

8.6 **Liability of the Vendors.**

The obligations set out in this Article 8 are several. An Indemnified Party may at its option bring a claim to enforce its rights and benefits under this Agreement or such other agreement against one Person without proceedings against any other Person.

ARTICLE 9 TERMINATION

9.1 **Grounds for Termination.**

Notwithstanding anything contained in this Agreement to the contrary, this Agreement may be terminated and the Contemplated Transactions may be abandoned at any time prior to the Closing:

9.1.1 by the mutual written agreement of Halo and the Vendors;

9.1.2 by Halo in the event of a material breach of any representation, warranty, covenant or agreement of the Company or the Vendors contained herein and the failure of the breaching Party to cure such breach within five (5) Business Days after receipt of written notice from Halo requesting such breach to be cured; provided, however, that there will be no right to terminate if such breach was caused, in whole or in part, by a material breach by Halo;

9.1.3 by the Company in the event of a material breach of any representation, warranty, covenant or agreement of Halo contained herein and the failure of Halo to cure such breach within five (5) Business Days after receipt of written notice from the Company requesting such breach to be cured; provided, however, that there will be no right to terminate if such breach was caused, in whole or in part, by a material breach by the Company or any Vendor;

9.1.4 by either Halo or the Company if any Governmental Authority will have issued a final and non-appealable order, decree or judgment permanently restraining, enjoining or otherwise prohibiting the completion of the Contemplated Transactions or any Governmental Authority has refused to provide a consent or approval set forth, or required by the terms of this Agreement to be set forth, in Section 3.3.2 or Section 4.2.2 of the 1275111 Disclosure Schedule; or

9.1.5 by either Halo or the Company if the Closing will not have occurred on or before January 31, 2021 (or such later date as may be agreed to in writing by Halo and the Vendors); provided, however, that the right to terminate this Agreement under this Section 9.1.5 will not be available to any Party whose failure to fulfill any obligation under, or breach of any provision of, this Agreement

will have been the cause of, or will have resulted in, the failure of the Closing to occur on or before the applicable date.

9.2 **Notice of Termination.**

Any Party desiring to terminate this Agreement pursuant to Section 9.1 will give written notice of such termination to the other Parties to this Agreement in accordance with Section 11.2, specifying the provision(s) pursuant to which such termination is effective.

9.3 **Effect of Termination.**

If this Agreement is terminated pursuant to this Article 9, this Agreement will forthwith become void and of no further force and effect and all rights and obligations of the Parties hereunder will be terminated without further liability of any Party to any other Party; provided, however, that: (i) the provisions of Sections 6.6 and 9.3, and Article 11, and the rights and obligations of the Parties thereunder, will survive any such termination; and (ii) nothing herein will relieve any Party from liability for willful or intentional breach, any Fraud Claim or any other liability arising prior to such termination under this Agreement prior to the date of termination.

ARTICLE 10 RELEASE

10.1 **Vendors' Release.**

Except for obligations of Halo arising under this Agreement and the Pooling Agreement, each of the Vendors, on such Person's own behalf, and on behalf of such Person's Affiliates and each of its and their respective shareholders, partners, equityholders, directors, managers, officers, employees agents, representatives (including legal representatives), heirs, administrators, executors, successors and assigns, with effect from the Closing, unconditionally and irrevocably waives, releases and forever discharges each of the Halo Group Members and the Company and each of their respective Affiliates and past, present and future shareholders, partners, equityholders, directors, managers, officers, employees, agents, representatives, advisors, lenders, insurers and any predecessors, successors or assigns of any of the foregoing (each, a "**Halo Released Person**"), from any and all liability of any kind or nature incurred or arising prior to Closing in connection with the Vendor's employment or engagement by, acting as a director or officer of, or through their legal or beneficial ownership of, the Company or any of its Affiliates, as applicable, in each case, whether absolute or contingent, accrued or unaccrued, liquidated or unliquidated, known or unknown, or due or to become due, and the Vendors acknowledge and agree that such Person will not seek to recover any amounts in connection therewith or thereunder from any Halo Released Person; provided that nothing in this Section 10.1 will: (a) be deemed to constitute a release by such Person of any right to enforce its rights under this Agreement or the Pooling Agreement or not otherwise released pursuant to this Section 10.1; (b) release the Company from any obligation that the Company might have to pay or provide any Vendor, or any of such Vendors' Affiliates and each of their respective shareholders, partners, equityholders, directors, managers, officers, employees, agents, representatives (including legal representatives), heirs, administrators, executors, successors and assigns, with compensation, benefits or other entitlements which any such Person has as a result of his or her consulting relationship with the Company, including obligations arising under any employment-related statute or consulting contract; or (c) in any way limit the rights and recourses of a Vendor who was a director or officer of the Company in respect of any rights such Vendor may have pursuant to any directors' and officers' insurance coverage existing on

the Closing Date, or any indemnification rights pursuant to the bylaws of the Company to indemnification by the Company for any acts and omissions occurring on or prior to the Closing Date.

The Vendors understand that this Section 10.1 is a full and final release of all claims, demands, causes of action and liabilities of any nature whatsoever, whether or not known, suspected or claimed, that could have been asserted in any legal or equitable proceeding against any Halo Released Person with respect to the period prior to Closing, except as expressly set forth in this Section 10.1. The Vendors hereby acknowledge that each of the Vendors is aware that such Vendor may hereafter discover claims or facts in addition to or different from those that the Vendor now knows or believes to be true with respect to the matters released herein, but that it is the intention of the Vendors to fully and finally release all such claims, demands, causes of action and liabilities of any nature relative thereto that do exist, may exist or heretofore have existed.

10.2 **Halo Release.**

Except for obligations of the Company and the Vendors arising under this Agreement and the Pooling Agreement, each Halo Group Member and each of their respective shareholders, partners, equityholders, directors, managers, officers, employees, agents, representatives (including legal representatives), heirs, administrators, executors, successors and assigns, with effect from the Closing, unconditionally and irrevocably waives, releases and forever discharges each of the Company and the Vendors and each of their respective Affiliates and past, present and future shareholders, partners, equityholders, directors, managers, officers, employees, agents, representatives, advisors, lenders, insurers and any predecessors, successors or assigns of any of the foregoing (each, a “**1275111 Released Person**”), from any and all liability of any kind or nature incurred or arising prior to Closing in connection with the Vendor’s employment or engagement by, acting as a director or officer of, or through their legal or beneficial ownership of, the Company or any of its Affiliates, as applicable, in each case, whether absolute or contingent, accrued or unaccrued, liquidated or unliquidated, known or unknown, or due or to become due, and each Halo Group Member acknowledges and agrees that it will not seek to recover any amounts in connection therewith or thereunder from any 1275111 Released Person; provided that nothing in this Section 10.2 will be deemed to constitute a release by such Person of any right to enforce its rights under this Agreement or the Pooling Agreement or not otherwise released pursuant to this Section 10.2.

Halo understands that this Section 10.2 is a full and final release of all claims, demands, causes of action and liabilities of any nature whatsoever, whether or not known, suspected or claimed, that could have been asserted in any legal or equitable proceeding against any 1275111 Released Person with respect to the period prior to Closing, except as expressly set forth in this Section 10.2. Halo hereby acknowledges that Halo is aware that Halo may hereafter discover claims or facts in addition to or different from those that Halo now knows or believes to be true with respect to the matters released herein, but that it is the intention of Halo to fully and finally release all such claims, demands, causes of action and liabilities of any nature relative thereto that do exist, may exist or heretofore have existed.

ARTICLE 11 GENERAL PROVISIONS

11.1 **Non-Survival of Representations, Warranties and Covenants.**

The representations, warranties or covenants contained in this Agreement shall survive the Closing Time for a period of one year unless otherwise specified in this Agreement.

11.2 **Notices.**

Any notice, direction or other communication given regarding the matters contemplated by this Agreement (each a “**Notice**”) must be in writing, sent by personal delivery, courier or email transmission (provided that the sender of such email transmission does not receive a delivery failure notice from the intended recipient in respect of such email transmission), or similar means of recorded electronic communication, addressed as follows:

11.2.1 If to Halo, to:

Halo Labs Inc.
65 Queen Street West, Suite 805
Toronto, Ontario M5H 2M5

Attention: Philip van den Berg

Email: philip@halocanna.com

with a copy to:

McMillan LLP
Suite 1500, 1055 West Georgia Street
Vancouver, British Columbia V6E 4N7

Attention: Desmond Balakrishnan

Email: desmond.balakrishnan@mcmillan.ca

11.2.2 If to the Company or the Vendors, to:

[REDACTED]
[REDACTED]

Attention: [REDACTED]

Email: [REDACTED]

with a copy to:

Cassels Brock & Blackwell LLP
Suite 2200, 885 West Georgia Street
Vancouver, British Columbia V6C 3E8

Attention: Jeff Durno

Email: jdurno@cassels.com

Subject to the foregoing, a Notice is deemed to be given and received on the date on which it was delivered or transmitted if it is a Business Day and the delivery or transmission was made prior to 6:00 p.m. (local time in place of receipt) and otherwise on the next Business Day. A Party may change its address for

service from time to time by providing a Notice in accordance with the foregoing. Any subsequent Notice must be sent to the Party at its changed address. Any element of a Party's address that is not specifically changed in a Notice will be assumed not to be changed.

11.3 Counterparts.

This Agreement and the Pooling Agreement may be executed and delivered (including by facsimile, "pdf" or other electronic transmission) in any number of counterparts, each of which will be deemed an original, and all of which together will constitute one and the same instrument.

11.4 Amendments and Waivers.

This Agreement may not be amended or waived except by an instrument in writing signed by an authorized representative of each Party. No course of conduct or failure or delay by any Party in exercising any right, power or privilege hereunder will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

11.5 Severability.

Wherever possible, each provision hereof will be interpreted in such manner as to be effective and valid under Applicable Laws, but if any one or more of the provisions contained herein will, for any reason, be held to be invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such provision will be ineffective to the extent, but only to the extent, of such invalidity, illegality or unenforceability without invalidating the remainder of such invalid, illegal or unenforceable provision or provisions or any other provisions hereof, unless such a construction would be unreasonable.

11.6 Assignment; Successors and Assigns.

Neither this Agreement nor any of the rights, interests or obligations of any Party hereunder may be assigned, delegated or otherwise transferred by such Party, in whole or in part (whether by operation of law or otherwise), without the prior written consent of each other Party, and any attempt to make any such assignment, delegation or other transfer without such consent will be null and void; provided, however, that Halo may assign its rights, interests and obligations under this Agreement and the Pooling Agreement, without the consent of the other Parties, to any Person who acquires all or substantially all of the assets and business of Halo or to any Affiliate of Halo, subject to the assumption in writing by such Person or Affiliate of Halo's obligations hereunder; and provided, further, that Halo may assign or encumber this Agreement or any of its rights and obligations hereunder as security for any Indebtedness of Halo or its Affiliates without the consent of the other Parties. Subject to the preceding sentences, this Agreement will be binding upon, inure to the benefit of and be enforceable by the Parties and their respective successors and permitted assigns.

11.7 No Third Party Beneficiaries.

Nothing in this Agreement, express or implied, is intended or will be construed to confer upon any third party, other than the signatories to this Agreement and their respective successors and assigns permitted by Section 11.6, any right, remedy or claim under or by reason of this Agreement.

11.8 **Governing Law.**

This Agreement and all disputes and controversies relating to or arising out of this Agreement are governed by and will be interpreted and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. Each signatory to this Agreement irrevocably attorns and submits to the non-exclusive jurisdiction of the British Columbia courts situated in the City of Vancouver (and appellate courts therefrom) and waives objection to the venue of any proceeding in such court or that such court provides an inappropriate forum.

11.9 **Specific Performance.**

The Parties agree that irreparable and ongoing Damages would occur in the event that any provision of this Agreement were not performed in accordance with its terms or otherwise was breached. Accordingly, each Party agrees that in the event of any actual or threatened breach of this Agreement by another Party, the non-breaching Party will be entitled, in addition to all other rights and remedies that it may have, to obtain injunctive or other equitable relief (including a temporary restraining order, a preliminary injunction and a final injunction) to prevent any actual or threatened breach of any of such provisions and to enforce such provisions specifically, without the necessity of posting a bond or other security or of proving actual Damages. The prevailing Party in any action commenced under this Section 11.9 (whether through a monetary judgment, injunctive relief or otherwise) will be entitled to recover from the other Parties reimbursement for its reasonable legal fees and court costs incurred in connection with such action. Subject to any other provision hereof including, without limitation, Section 9.3 hereof, such remedies will not be the exclusive remedies for any breach of this Agreement but will be in addition to all other remedies available hereunder at law or in equity to each of the Parties hereto.

11.10 **Interpretation; Absence of Presumption.**

11.10.1 The defined terms and headings contained in this Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement. In this Agreement, except to the extent otherwise provided herein or that the context otherwise requires: (i) words used in the singular include the plural and words in the plural include the singular; (ii) reference to any gender includes the other gender and neuter; (iii) the words "include", "includes" and "including" will be deemed to be followed by the words "without limitation"; (iv) the words "herein", "hereof", "hereto", "hereunder" and words of similar import will be deemed references to this Agreement as a whole and not to any particular Section or other provision hereof; (v) reference to any Article, Section, Exhibit or Schedule will mean such Article or Section of, or such Exhibit or Schedule to, this Agreement, as the case may be, and references in any Section or definition to any clause means such clause of such Section or definition; (vi) reference to any Applicable Laws will mean such Applicable Laws (including all rules and regulations promulgated thereunder) as amended, modified, codified or reenacted, in whole or in part, and in effect at the time of determining compliance or applicability; and (vii) references to "\$" and "CAD" are to the lawful currency of Canada. Whenever the last day for the exercise of any privilege or the discharge or any duty hereunder will fall upon a day that is not a Business Day, the Party having such privilege or duty may exercise such privilege or discharge such duty on the next succeeding day which is a Business Day.

11.10.2 Each Party acknowledges and agrees that the Parties have participated jointly in the negotiation and drafting of this Agreement. In the event that an ambiguity or a question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties, and no

presumption or burden of proof will arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Agreement.

11.10.3 In the event of any inconsistency between the statements in this Agreement and statements in the 1275111 Disclosure Schedule, the Halo Disclosure Record or the other schedules referred to herein, the statements in this Agreement will control and the statements in the 1275111 Disclosure Schedule, the Halo Disclosure Record and the other schedules referred to herein will be disregarded to the extent of such inconsistency.

11.11 Independent Legal Advice.

Each of the Vendors acknowledges that, prior to executing this Agreement, the Vendor has received, or has declined to receive, independent legal advice and the Vendor confirms that the Vendor fully understands this Agreement and is entering into this Agreement voluntarily.

11.12 Announcements.

None of the Parties may make a press release, public statement or announcement or other public disclosure in respect of this Agreement or the Contemplated Transactions without the prior written consent of the other Parties, unless required by Applicable Law or a Governmental Authority. Where such disclosure is required by Applicable Law or a Governmental Authority, the Party required to make such disclosure will provide notice to the other Parties as soon as reasonably possible and shall to the extent possible consult with the other Parties with respect to the content and timing of such disclosure.

11.13 Entire Agreement.

This Agreement (including the Annexes and the Exhibits referred to herein and which form part hereof) and the Pooling Agreement contain the complete agreement among the Parties and supersede any prior understandings, agreements or representations by or among the Parties, whether written or oral, with respect to the subject matter hereof and thereof. This Agreement may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the Parties. There are no unwritten or oral agreements between the Parties.

[Signature Page Follows]

**Annex 1
Vendors**

Shareholder	Address	1275111 Shares Held	% of 1275111 Shares held as at the Agreement Date
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
TOTAL:		[REDACTED]	100%

**Annex 2
Payment Shares**

No.	Name	Address	No. of Halo Shares
1.	[REDACTED]	[REDACTED]	[REDACTED]
2.	[REDACTED]	[REDACTED]	[REDACTED]

Exhibit A
Registration Instructions

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

Exhibit B
Form of Pooling Agreement

Please see attached.

POOLING AGREEMENT

THIS AGREEMENT is made as of _____, 20__ (the “**Effective Date**”)

AMONG:

HALO LABS INC., a corporation incorporated under the laws of Ontario (“**Halo**”)

- and -

████████████████████

- and -

████████████████████

(each a “**Holder**”, and collectively, the “**Holders**”)

WHEREAS this agreement is being entered into with a view of restricting the sale of Common Shares of Halo (“**Halo Shares**”) held by the Holders;

AND WHEREAS each of ██████████ and ██████████ acquired Halo Shares as a Vendor pursuant to the Share Exchange Agreement dated December 22, 2020 among Halo, 1275111 B.C. Ltd., ██████████ and ██████████ (the “**Acquisition Agreement**”);

NOW THEREFORE, in consideration of the mutual covenants contained herein and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties agree as follows:

1. Interpretation

1.1 The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. Unless otherwise specified herein, the term "or" has the inclusive meaning represented by the term "and/or" and the term "including" is not limiting. All references as to "Sections", "Subsections" and "Schedules" shall be to Sections, Subsections and Schedules, respectively, of this Agreement unless otherwise specifically provided.

2. Securities Beneficially Owned or Controlled by the Holder

2.1 The Holders acknowledge that this agreement pertains to the 147,475,343 Halo Shares, in aggregate, that Halo has issued to them pursuant to the Acquisition Agreement (the "**Securities**"). Each Holder acknowledges receipt of and confirms its control and beneficial ownership in such number of Halo Shares opposite to its name in Schedule “A” as of the Effective Date.

3. Restrictions on the Sale of the Securities

3.1 The Holders jointly agree that they will not, in the aggregate, as between all of the Holders, during any trading day within the term of this Agreement, sell on a Canadian stock exchange, such number of the Securities that would exceed 15% of the prior trading day's total volume of sale orders in Halo Shares. Nothing in this Agreement shall restrict a Holder from selling or transferring any of the Securities to a third party (a "**Transferee**"), in transactions not executed on a Canadian stock exchange, provided that the Transferee shall first agree to be bound by the terms of this Agreement.

4. Voting of Securities

4.1 The Holders may exercise all voting rights attaching to the Securities beneficially owned or controlled by them, directly or indirectly, during the term of this Agreement in their sole discretion.

5. Dividends and Distributions on Securities

5.1 The terms of this Agreement shall not impair any right of a party to receive a dividend or other distribution on the Halo Shares, or to elect the form and manner in which the dividend or other distribution on the Halo Shares is paid.

6. Power of Attorney

6.1 Should the Holders, or any Holder, in the reasonable opinion of Halo's board of directors based on the trading records of the Holders, fail to comply or take any action to comply with any of the terms and provisions of this Agreement (including, without limitation, the Restrictions on the Sale of the Securities in Section 3 hereof), then a third party representative chosen by the board of directors of Halo (the "**Designee**") shall be deemed to be irrevocably appointed as the true and lawful attorney of each of the Holders with authority to do all things and execute and deliver, on behalf of and in the name of the Holder, such deeds, transfers, share certificates, resignations, proxies, resolutions, consents, voting instructions or other documents as may be necessary or desirable to comply with the terms and provisions of this Agreement, and the Holder shall have no claim or cause of action against Halo, the board of directors of Halo, or against the Designee, as a result of the Designee so acting as its attorney, provided that the Holders may direct such Designee to trade in the Securities, for the sole benefit of the Holders, in compliance with this Agreement and the Designee shall have a duty to account to the Holders for all proceeds from the sale of such Securities. Such appointment and power of attorney, being coupled with an interest, shall not be revoked by the insolvency or bankruptcy of the Holder, and the Holder hereby ratifies and confirms and agrees to ratify and confirm all that the Designee may lawfully do or cause to be done by virtue of such appointment and power. In furtherance of this Section 6, the Holder shall, if requested by Halo, execute a stock transfer power in such form as may be supplied by the Designee.

7. Termination

7.1 This Agreement shall terminate upon the first to occur of the following events:

- (a) on that date which is one (1) year from the Effective Date; and
- (b) by agreement of the parties, provided that any agreement by Halo to amend this agreement must be signed by all its independent directors.

8. Amendment or Waiver

8.1 No amendment or waiver of this Agreement or any part of this Agreement shall be effective unless the amendment or waiver is evidenced by an instrument in writing signed by all parties.

8.2 No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision (whether similar or not), nor shall any waiver constitute a continuing waiver, unless expressly provided.

9. General Matters

9.1 Time is of the essence of this Agreement.

9.2 This Agreement shall be construed in accordance with and governed by the laws of the Province of British Columbia and the laws of Canada applicable therein.

9.3 This Agreement may be executed by facsimile and in two or more counterparts, each of which will be deemed to be an original and all of which will constitute one agreement.

9.4 This Agreement will enure to the benefit of and be binding upon the parties and their heirs, executors, administrators, successors and permitted assigns.

9.5 This Agreement constitutes the entire understanding between the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, between the parties and there are no warranties, representations or other agreements between the parties in connection with this Agreement, except as specifically set forth herein.

9.6 Any provision or part of a provision of this Agreement determined by a court of competent jurisdiction to be invalid, illegal or unenforceable shall be deemed stricken to the extent necessary to eliminate any invalidity, illegality or unenforceability, and the rest of the Agreement and all other provisions and parts thereof shall remain in full force and effect and be binding upon the parties hereto as though the said illegal and/or unenforceable provision or part thereof had never been included in this Agreement.

9.7 The parties will execute and deliver any further documents and perform any further acts necessary to carry out the intent of this Agreement.

THE PARTIES HAVE EXECUTED AND DELIVERED this Agreement as of the date first above written.

HALO LABS INC.

By:

Name: Kiran Sidhu

Title: CEO

SIGNED AND DELIVERED in the)
presence of:)

)
)
)
)

Witness:

)
)



SIGNED AND DELIVERED in the)
presence of:)

)
)
)
)

Witness:

)
)



Schedule A**Number of Halo Shares Held**

Holder	Number of Halo Shares Obtained in Connection to Acquisition Agreement	% of the Securities
██████████	██████████	████
██████████	██████████	████
Total	██████████	100%