

2810735 ONTARIO INC. D/B/A FEDERATED FOUNDRY

- and -

2873766 ONTARIO LIMITED

- and -

POPREACH CORPORATION

BUSINESS COMBINATION AGREEMENT

Dated as of October 18, 2021

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BUSINESS COMBINATION AGREEMENT

THIS AGREEMENT is dated the 18th day of October, 2021.

B E T W E E N:

2810735 ONTARIO INC. D/B/A FEDERATED FOUNDRY, a corporation incorporated under the laws of the Province of Ontario (“**Federated**”)

- and -

2873766 ONTARIO LIMITED, a corporation incorporated under the laws of the Province of Ontario (“**Subco**”)

- and -

POPReach CORPORATION, a corporation incorporated under the laws of the Province of Ontario (“**PopReach**”)

WHEREAS:

- A. On August 16, 2021, PopReach and Federated entered into a letter of intent (the “**Letter of Intent**”) contemplating the business combination transaction providing for, *inter alia*, the acquisition by PopReach of all of the issued and outstanding common shares of Federated (the “**Federated Shares**”) from the holders thereof (“**Federated Shareholders**”) in exchange for the issuance by PopReach of common shares of PopReach (“**PopReach Shares**”) to the Federated Shareholders, as a reverse takeover of PopReach by the Federated Shareholders (the “**Transaction**”);
- B. Federated and PopReach intend to effect the Transaction by way of the Amalgamation (as herein defined);
- C. Each of the PopReach Board and Federated Board (as herein defined) have determined that it would be in the best interest of each corporation to enter into this Agreement and to complete the transactions contemplated by this Agreement;
- D. Federated shall seek and obtain requisite approval of its shareholders (“**Federated Shareholder Approval**”);
- E. PopReach shall convene and hold a Meeting (as herein defined) during which Meeting PopReach shall seek requisite approval of its shareholders for the Meeting Matters (as herein defined) (“**PopReach Shareholder Approval**”);
- F. Concurrently with the execution of this Agreement, the PopReach Insiders (as defined herein) shall enter into voting support agreements (“**Voting Agreements**”) pursuant to which, *inter alia* and subject to the terms and conditions thereof, each PopReach Insider shall agree to vote in favour of the Meeting Matters all PopReach Shares now held or hereafter held by them that are entitled to vote on such matters; and
- G. It is the express intention of the Parties hereto to enter into this Agreement and to effect the transactions contemplated hereof.

NOW THEREFORE in consideration of the mutual covenants and agreements herein contained and of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged each of the Parties, the Parties hereto hereby covenant and agree as follows:

ARTICLE I DEFINITIONS, INTERPRETATION AND SCHEDULES

1.1 Definitions

In this Agreement (including the preamble, recitals and each schedule hereto), the following terms have the meanings ascribed thereto as follows:

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

“**1940 Act**” means the *United States Investment Company Act of 1940*.

“**Action**” means, with respect to any Person, any litigation, legal action, lawsuit, claim, audit, arbitration or other proceeding (whether civil, administrative, quasi-criminal or criminal) before any Governmental Authority against such Person or its business or affecting any of its assets.

“**Affiliate**” has the meaning specified in Policy 1.1 – *Interpretation* of the TSXV Corporate Finance Manual on the date of this Agreement.

“**Agreement**” means this Business Combination Agreement and any schedule or instrument supplemental or ancillary hereto; and the expressions “Article”, “section”, and “subsection” followed by a number means and refers to the specified Article, section or subsection of this Agreement.

“**Alternative Proposal**” has the meaning set out in Section 9.1(a).

“**Amalco**” means the amalgamated entity to be formed as a result of the Amalgamation under the corporate name of “Federated Foundry Limited” or such other name as may be mutually agreed to by the Parties, each acting reasonably.

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

“**Amalgamating Parties**” means Federated and Subco.

“**Amalgamation**” means the amalgamation of Subco and Federated proposed in accordance with the terms of the Amalgamation Agreement.

“**Amalgamation Agreement**” means the amalgamation agreement to be entered into between PopReach, Subco and Federated pursuant to the terms of this Agreement to give effect to the Amalgamation, substantially in the form set out in Schedule “A”.

“**Ancillary Agreements**” means all agreements, certificates and other instruments delivered or given pursuant to this Agreement.

“**Applicable Law**” means any Law that (as the context requires) applies in whole or in part to the Transaction, Federated or its Subsidiaries, Subco, PopReach or its Subsidiaries, or any their respective Assets, businesses or operations.

“**Assets**” means the property and assets of Federated and its Subsidiaries, PopReach and its Subsidiaries, or Subco, as the case may be, as a going concern, of every kind and description and wheresoever situated.

“**Authorizations**” means licences, certificates, approvals, consents, notices, clearances, authorizations, permits and supplements or amendments thereto required by Applicable Laws.

“**Award**” means with respect to any Person, any judgment, decree, injunction, ruling, award or order of any Governmental Authority;

“**Books and Records**” of a Party, means books and records of the Party and its Subsidiaries, including books of account, Tax records, sales and purchase records, customer and supplier lists, technical documents including specifications, bills of materials and engineering notebooks and business reports, whether in written or electronic form.

“**Business**” means the business of Federated, being acquiring and operating digital technology companies.

“**Business Day**” means any day, other than a Saturday, Sunday or statutory or civic holiday in the Province of Ontario.

“**CASL**” means, collectively, *An Act to Promote the Efficiency and Adaptability of the Canadian Economy by Regulating Certain Activities that Discourage Reliance on Electronic Means of Carrying out Commercial Activities, and to Amend the Canadian Radio-television and Telecommunications Commission Act, the Competition Act, the Personal Information Protection and Electronic Documents Act and the Telecommunications Act* (Canada), the *Electronic Commerce Protection Regulations (CRTC)*, the *Electronic Commerce Protection Regulations* (Industry Canada), the practice guidelines, bulletins and enforcement advisories issued by the CRTC and all similar Laws in other jurisdictions.

“**Certificate**” means the certificate of amalgamation issued by the Director in respect of the Amalgamation.

“**Closing**” means the completion of the transactions contemplated herein on the Effective Date.

“**Closing Debt**” has the meaning set out in Section 2.4(c).

“**Closing Date Statement**” has the meaning set out in Section 2.4(c).

“**Closing Date Working Capital**” has the meaning set out in Section 2.4(c).

“**Confidential Information**” has the meaning set out in Section 11.2.

“**Consideration Shares**” means the PopReach Shares to be issued to the Federated Shareholders in exchange for their Federated Shares pursuant to this Agreement.

“Contract” means, with respect to any Party, any legally binding agreement, commitment, engagement, contract, lease, franchise or undertaking (written or oral): (a) to which such Party or its Subsidiaries is a party, (b) by which such Party or its Subsidiaries is bound or affected or to which any of their respective Assets is subject, or (c) under which such Party or its Subsidiaries has or may acquire any right or interest.

“Corrupt Practices Legislation” has the meaning set out in Section 4.38.

“COVID-19 Returns” means any and all returns, reports, records, calculations, declarations, elections, attestations, notices, forms, designations, filings, and statements filed or required to be filed, or required to be kept on file, in respect of any COVID-19 Subsidy.

“COVID-19 Subsidy” means the Canada Emergency Rent Subsidy and the Canada Emergency Wage Subsidy (each under section 125.7 of the Tax Act and any other Laws), and any other COVID-19 related direct or indirect wage, rent or other subsidy or loan offered by a federal, provincial, territorial, state, local, or foreign Governmental Authority.

“CRTC” means the Canadian Radio-television and Telecommunications Commission or any successor body thereto.

“Debt” of any Person means and includes (a) indebtedness for borrowed money or indebtedness issued or incurred in substitution or exchange for indebtedness for borrowed money, (b) amounts owing as deferred purchase price for property or services, (c) indebtedness evidenced by any note, bond, debenture, mortgage or other debt instrument or financial debt security, (d) commitments or obligations by which such Person assures a creditor against loss (including contingent reimbursement obligations with respect to letters of credit), (e) indebtedness secured by an Encumbrance on assets or properties of such Person, (f) obligations or commitments to repay deposits or other amounts advanced by and owing to third Persons, (g) obligations under any interest rate, currency or other hedging agreement, (h) obligations or commitments under capitalized leases (capital portion), (i) any change of control payments or prepayment premiums, penalties, charges or equivalents thereof with respect to any indebtedness, obligation, or liability of the type described in clauses (a) through (h) above, or (j) guarantees or other contingent liabilities (including so called take-or-pay or keep-well agreements) with respect to any indebtedness, obligation, claim or liability of any other Person of a type described in clauses (a) through (i) above. Debt shall not, however, include accounts payable to trade creditors and accrued expenses arising in the ordinary course of business consistent with past practice and shall not include the endorsement of negotiable instruments for collection in the ordinary course of business.

“Directed Selling Efforts” has the meaning ascribed thereto in Regulation S.

“Director” means the Director appointed under section 278 of the OBCA.

“Disclosure Schedules” means the Federated Disclosure Schedules and the PopReach Disclosure Schedules.

“Effective Date” means the effective date of the Amalgamation as evidenced on the Certificate.

“Effective Time” means 12:01 a.m. (Toronto time) on the Effective Date.

“Encumbrance” means any mortgage, pledge, assignment, charge, lien, claim, security interest, adverse interest, statutory or deemed trust, other third Person interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing.

“Exchange Ratio” has the meaning set out in Section 2.4(a).

“Exclusivity Period” has the meaning set out in Section 9.1.

“Executive Employees” has the meaning set out in Section 3.2(f).

“Executive Employment Agreements” has the meaning set out in Section 3.2(f).

“Federated” has the meaning set out in the preamble hereof.

“Federated Benefit Plans” means all material plans with respect to any Federated or Federated Subsidiary employees or other service providers or former employees or former service providers to which Federated or any Federated Subsidiary is a party to or bound by or to which Federated or any Federated Subsidiary has an obligation to contribute or with respect to which Federated or any Federated Subsidiary has any direct or indirect liability relating to retirement savings, pensions, bonuses, equity awards, profit sharing, deferred compensation, incentive compensation, life or accident insurance, hospitalization, health, medical or dental treatment or expenses, disability, unemployment insurance benefits, employee loans, vacation pay, severance or termination pay or other benefits, other than those benefits provided solely under a statutory benefit plan.

“Federated Board” means the board of directors of Federated.

“Federated Closing Documents” means the documents required to be delivered to PopReach and Subco by Federated pursuant to Section 3.2.

“Federated Disclosure Schedules” means the schedules attached to this Agreement delivered by Federated to PopReach and Subco concurrently with the execution and delivery of this Agreement.

“Federated Employees” has the meaning set out in Section 5.23(a).

“Federated Financial Statements” means (a) Federated’s consolidated audited financial statements for the (short) year from incorporation (January 25, 2021) to September 30, 2021, (b) Q1Media Inc.’s audited financial statements for the years ended December 31, 2020 and 2019, and unaudited (reviewed) interim financial statement for the quarter ended June 30, 2020, (c) Notify AI, LLC’s audited financial statements for the years ended December 31, 2020 and 2019 and unaudited (reviewed) interim financial statement for the quarter ended June 30, 2020, and (d) Crucial Interactive Holdings Inc.’s audited financial statements for the years ended December 31, 2020 and 2019 and unaudited (reviewed) interim financial statement for the quarter ended June 30, 2020.

“Federated Information” has the meaning set out in Section 7.1(a).

“Federated Leased Properties” has the meaning set out in Section 5.18(a).

“Federated Lock-Up Agreements” has the meaning set out in Section 2.5.

“Federated Shareholder Approval” has the meaning set out in the recitals hereof.

“Federated Shareholders” has the meaning set out in the recitals hereof.

“Federated Shares” has the meaning set out in the recitals hereof.

“Federated Standstill Agreements” has the meaning set out in Section 9.2.

“Governmental Authority” means and includes, without limitation, (a) any international, multinational, national, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public body, authority or department, central bank, court, tribunal, arbitral or adjudicative body, commission, board, bureau, commissioner, ministry, governor-incouncil, agency or instrumentality, domestic or foreign, (b) any subdivision or authority of any of the above, (c) any quasi-governmental, administrative or private body, including any tribunal, commission, committee, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing, or (d) any stock exchange (including the TSXV).

“IFRS” means International Financial Reporting Standards.

“Intellectual Property” means domestic and foreign: (i) patents, applications for patents and reissues, divisions, continuations, renewals, extensions and continuations-in-part of patents or patent applications; (ii) proprietary and non-public business information, including inventions (whether patentable or not), invention disclosures, improvements, discoveries, trade secrets, confidential information, know-how, methods, processes, designs, technology, manufacturing process, technical data, schematics, formulae, formations and customer lists, and documentation relating to any of the foregoing; (iii) copyrights, copyright registrations and applications for copyright registration; (iv) mask works, mask work registrations and applications for mask work registrations; (v) designs, design registrations, design registration applications and integrated circuit topographies; (vi) trade names, business names, corporate names, domain names, website names and world wide web addresses, common law trade-marks, trade-mark registrations, trade mark applications, slogans, product names, trade dress and logos, and the goodwill associated with any of the foregoing; (vii) industrial designs, industrial design registrations and applications; (viii) software; and (ix) any other intellectual property and industrial property.

“Laws” means all laws (statutory, common or otherwise), by-laws, statutes, rules, regulations, orders, ordinances, treaties, conventions, decisions, decrees, rulings, protocols, codes, guidelines, instruments, policies, notices, directions and judgments or other similar requirements, enactments, proclamations or adoptions of any Governmental Authority, including Securities Laws, in each case to the extent of having the force of law.

“Letter of Intent” has the meaning set out in the recitals hereof.

“Material Adverse Effect” means any change, event, violation, circumstance, development or effect that is materially adverse to the business, Assets, capitalization, liabilities (contingent or otherwise), condition (financial or otherwise), prospects or results of operations of Federated, Subco or PopReach, as the case may be, and their respective Subsidiaries, taken as a whole,

whether or not arising in the ordinary course of business, provided that none of the following (or any result, occurrence, fact, state of facts, event, circumstance, condition, change or effect resulting from, in connection with or attributable to any of them) will, in each case, be deemed to constitute a “**Material Adverse Effect**” with respect to a Party, or be considered in determining whether a “**Material Adverse Effect**” has occurred with respect to a Party:

- (a) any failure by such Party, any of its Subsidiaries, its Assets or its business to meet projections or forecasts or revenue or earnings predictions for any period ending on or after the date hereof, and any reasonable business decisions made with respect thereto;
- (b) any natural disaster, force majeure event, including the COVID-19 global pandemic, or any acts of terrorism, sabotage, military action or war (whether or not declared) or any escalation or worsening thereof;
- (c) conditions generally affecting (i) the industry in which such Party participates (including, for greater certainty, changes proposed or made by any Governmental Authority to pricing, reimbursement rates or other terms applicable to such Party’s business), or (ii) the Canadian economy as a whole;
- (d) general economic or political conditions or financing or the capital markets in general;
- (e) the execution, delivery, announcement or pendency of this Agreement or the transactions contemplated hereby, the consummation of the transactions contemplated hereby, compliance with the terms of, the taking of any action or omission required by, this Agreement or in connection with the transactions contemplated hereby, or the taking of any action or omission requested, required or approved in writing by the other Parties;
- (f) any change in accounting requirements or principles (including IFRS), Applicable Laws or Authorizations (including those forming part of the Assets) or the interpretation thereof by any Governmental Authority,
- (g) any act or omission of another Party or any of its Affiliates or any of their respective Representatives, including any communication, action or omission by another Party of its plans or intentions with respect to such Party, any of its Subsidiaries, any of its Assets and/or its business; and
- (h) any action required to be taken under any Applicable Law or Authorization or any existing Authorization by which such Party or any Affiliate (or any of their respective business or Assets) is bound,

provided that, with respect to clauses (b), (c), (d) or (f), such event, occurrence, fact, condition, change or effect shall be taken into account in determining whether a Material Adverse Effect has occurred or could reasonably be expected to occur to the extent that such event, occurrence, fact, condition, change or effect if it materially disproportionately adversely affects such Party or its business, taken as whole, compared to other participants of a similar size operating in the industries in which such Party operates.

“Material Contract” means, in respect of a Party, any Contract to which such Party or any of its Subsidiaries is a party or its or their respective assets are bound which:

- (a) if terminated, breached or not renewed would or would reasonably be expected to have a Material Adverse Effect with respect to such Party;
- (b) relates to the purchase of materials, supplies, equipment or services involving payments, individually or in the aggregate, in excess of \$250,000 over the life of such Contract;
- (c) relates directly or indirectly (including any guarantees or similar obligations) to indebtedness (currently outstanding or which may become outstanding) for borrowed money in excess of \$250,000 in the aggregate;
- (d) under which such Party or any of its Subsidiaries is obligated to make or expects to receive payments on an annual basis in excess of \$250,000 or in excess of \$250,000 over the remaining term;
- (e) limits or restricts in any material respect (A) the ability of such Party or any of its Subsidiaries to engage in any line of business or carry on business in any geographic area, (B) the ability of such Party or any of its Subsidiaries to solicit or hire any Person, or (C) the scope of Persons to whom such Party or any of its Subsidiaries may sell products or deliver services;
- (f) contemplates an exclusive business relationship between a Party and any other Person;
- (g) gives another Person the right to purchase or license an unlimited quantity or volume of, or enterprise-wide scope of use of, that Party’s products or services (or licenses to that Party’s products or services) for a fixed aggregate price at no additional charge, or under which that Party grants most-favored customer pricing, rights of first refusal or similar rights or terms to any Person; or
- (h) relates to any joint venture, strategic alliance, partnership or sharing of profits, revenue or proprietary information or similar arrangement that is material to such Party and its Subsidiaries, on a consolidated basis.

“Meeting” means the general and special meeting of the shareholders of PopReach, during which PopReach shall seek requisite approval of its shareholders of the Meeting Matters.

“Meeting Matters” means, *inter alia*, the following items presented for shareholder approval at the Meeting and passed by resolution of the shareholders therefor:

- (a) the Transaction (which, in the interest of clarity, includes the Amalgamation)
- (b) the Name Change, if applicable;
- (c) the adoption of the New Equity Incentive Plan; and
- (d) the election of new directors of PopReach for the ensuing year upon completion of the Transaction, being three (3) directors appointed by PopReach (being Jon Walsh, Christopher Locke and Mike Vorhaus) and four (4) directors appointed by Federated (being Ted Hastings and three independent directors).

“**Misrepresentation**” means a misrepresentation (as defined in Applicable Law) or an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make the statements contained therein not misleading in light of the circumstances in which they are made.

“**Money Laundering Laws**” has the meaning set out in Section 4.39.

“**Name Change**” means the potential change in the name of PopReach Corporation to such name as may be mutually approved by the Parties, each acting reasonably, to be effective at the time of the Closing, if applicable.

“**New Equity Incentive Plan**” means the new equity incentive plan of PopReach, comprised on a 10% rolling stock option plan and a restricted stock unit plan, to be attached as an appendix to the PopReach Circular, to be approved at the Meeting.

“**Non-Arm’s Length Agreement**” means any Contract between a Party or any of its Subsidiaries and any Person with whom such Party or any of its Subsidiaries is not dealing, at the applicable time, at arm’s length (within the meaning of the Tax Act), excluding, for greater certainty, any employment or similar service agreements entered into in the ordinary course with direct employees of a Party or any of its Subsidiaries who are not managers, executives, officers or directors.

“**Notify Promissory Note**” means the promissory note dated August 6, 2021 in the original principal amount of \$10,600,000 granted by Notify AcquisitionCo Inc. in favour of Notify AI, LLC.

“**OBCA**” means the *Business Corporations Act* (Ontario).

“**OTC**” means the OTCQX tier of the OTC Markets Group platform.

“**Parties**” means collectively, Federated, Subco and PopReach, and “**Party**” means any one of them.

“**Permitted Encumbrances**” means: (a) statutory Encumbrances for Taxes not yet due and delinquent or the amount or validity of which is being contested in good faith in appropriate proceedings; (b) Encumbrances to secure the interests of landlords, lessors, renters, or licensors of real property under leases or rental agreements (to the extent the applicable Party is not in default under such lease or rental agreement); (c) Encumbrances and other similar matters of record affecting title to but not adversely affecting the value of, or the current occupancy or use of, any real property in any material respect; (d) in the case of such Party, as disclosed in Section 1.1 of PopReach Disclosure Schedules or in Section 1.1 of the Federated Disclosure Schedules, respectively; (e) Encumbrances for Closing Debt subordinated to those granted in connection with the PopReach Credit Agreement and otherwise acceptable to the PopReach Lender pursuant to Section 8.2(i); and (f) Encumbrances as may be mutually agreed to by the Parties, in their respective sole and absolute discretion.

“**Person**” includes an individual, corporation, partnership, joint venture, trust, unincorporated organization, the Crown or any agency or instrumentality thereof or any other juridical entity.

“Personal Information” means any information that is subject to any Privacy Law or capable of being associated with a legal Person (in jurisdictions where legal persons have the benefit of, or are protected by, Privacy Laws) or with an individual consumer or device, including information that identifies, or could be combined with other information to identify a device or natural person, including name, physical address, telephone number, email address, financial account number, government-issued identifier (including Social Security number and driver’s license number), medical, health or insurance information, gender, date of birth, educational or employment information, any religious or political view or affiliation, marital or other status, photograph, face geometry or biometric information, and any other data used or intended to be used to identify, contact or precisely locate an individual. **“Personal Information”** includes information in any form, including paper, electronic and other forms.

“PopReach” has the meaning set out in the preamble hereof, and as the context requires, means such other name as may be mutually approved by the Parties, upon completion of the Transaction and, if applicable, the Name Change.

“PopReach and Subco Closing Documents” means the documents required to be delivered to Federated by PopReach and Subco pursuant to Section 3.3.

“PopReach Benefit Plans” means all material plans with respect to any PopReach or PopReach Subsidiary employees or other service providers or former employees or former service providers to which PopReach or any PopReach Subsidiary is a party to or bound by or to which PopReach or any PopReach Subsidiary has an obligation to contribute or with respect to which PopReach or any PopReach Subsidiary has any direct or indirect liability relating to retirement savings, pensions, bonuses, equity awards, profit sharing, deferred compensation, incentive compensation, life or accident insurance, hospitalization, health, medical or dental treatment or expenses, disability, unemployment insurance benefits, employee loans, vacation pay, severance or termination pay or other benefits, other than those benefits provided solely under a statutory benefit plan.

“PopReach Board” means the board of directors of PopReach.

“PopReach Break-Fee” has the meaning set out in Section 10.1(c).

“PopReach Circular” means the management proxy circular of PopReach sent to shareholders of PopReach in connection with the Meeting.

“PopReach Credit Agreement” means the credit agreement entered into by PopReach with the Bank of Nova Scotia on October 2, 2020.

“PopReach Disclosure Schedules” means the schedules attached to this Agreement delivered by PopReach to Federated concurrently with the execution and delivery of this Agreement.

“PopReach Employees” has the meaning set out in Section 4.26(a).

“PopReach Fairness Opinion” means an opinion from Echelon Wealth Partners, PopReach’s financial advisor, to the effect that the consideration to be received pursuant to the Transaction is fair from a financial point of view to the PopReach Shareholders.

“**PopReach Filings**” has the meaning set out in Section 4.14.

“**PopReach Financial Statements**” means PopReach’s consolidated audited financial statements for the years ended December 31, 2020, 2019 and 2018 and unaudited (reviewed) interim financial statement for the quarter ended September 30, 2021.

“**PopReach Information**” has the meaning set out in Section 7.2(b).

“**PopReach Insiders**” means the insiders, as such term is defined in the *Securities Act* (Ontario), of PopReach.

“**PopReach Lender**” means the Bank of Nova Scotia.

“**PopReach Shareholder Approval**” has the meaning set out in the recitals hereof.

“**PopReach Shares**” has the meaning set out in the recitals hereof.

“**PopReach Shareholders**” means the holders of the PopReach Shares.

“**PPSA**” means the *Personal Property Security Act* (Ontario) or any other applicable Canadian federal or provincial statute pertaining to the granting, perfecting, priority or ranking of Encumbrances on personal property, and any successor statutes, together with any regulations thereunder, in each case as in effect from time to time.

“**Privacy Laws**” means any Applicable Law that governs the receipt, collection, compilation, use, storage, processing, sharing, safeguarding, security, disposal, destruction, disclosure or transfer of Personal Information and any such law governing data breach notification, in any jurisdiction in which Federated or any of its Subsidiaries provides services, including, the *Personal Information Privacy and Electronic Documents Act* (Canada), the CASL, and any published interpretation and guidance issued by any Governmental Authority.

“**Purchase Price**” has the meaning set out in Section 2.4(b).

“**Regulation D**” means Regulation D adopted by the SEC under the 1933 Act.

“**Regulation S**” means Regulation S adopted by the SEC under the 1933 Act.

“**Representatives**” has the meaning set out in Section 9.1(a).

“**Sanctions**” has the meaning set out in Section 4.35.

“**SEC**” means the United States Securities and Exchange Commission.

“**Securities Authorities**” means collectively, the Ontario Securities Commission and the other applicable securities regulatory authorities in the provinces and territories of Canada.

“**Securities Laws**” means the *Securities Act* (Ontario) and any other applicable securities Laws of a province or territory of Canada;

“**Subco**” has the meaning set out in the preamble hereof.

“**Subco Shares**” means all of the outstanding common shares in the capital of Subco.

“**Subsidiary**” means, with respect to a Person, any entity, whether incorporated or unincorporated: (i) of which such Person or any other subsidiary of such Person is a general partner; or (ii) at least a majority of the securities or other interests of which having by their terms ordinary voting power to elect a majority of the board of directors or other Persons performing similar functions with respect to such corporation or other organization is directly or indirectly owned or controlled by such Person and/or by any one or more of its subsidiaries; and shall include any corporate, partnership, joint venture or other entity over which it exercises direction or control. For purposes of this definition, “control” when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

“**Substantial U.S. Market Interest**” means substantial U.S. market interest as that term is defined in Regulation S.

“**Superior Proposal**” means any unsolicited bona fide written Alternative Proposal from a Person who is an arm’s length third party made after the date of this Agreement, in respect of which the PopReach Board and any relevant committee thereof determines, in its good faith judgment, after receiving the advice of its outside legal counsel and financial advisors and after taking into account all the terms and conditions of the such Alternative Proposal, including all legal, financial, regulatory and other aspects of such Alternative Proposal and the party making such Alternative Proposal, would, if consummated in accordance with its terms, and without assuming away the risk of non-completion, result in a transaction which is more favourable, from a financial point of view, to the PopReach Shareholders.

“**Tax**” and “**Taxes**” includes (i) any and all taxes, duties, fees, premiums, excises, assessments, imposts, levies, expansion fees and other charges of any kind whatsoever imposed by any Governmental Authority, whether computed on a separate, consolidated, unitary, combined or other basis, and including, but not limited to, those levied on, or measured by, or referred to as, or described with respect to income, gross receipts, profits, gains, capital stock, production, recapture, special assessment, gift, wealth, net worth, environment, indebtedness, surplus, severance, windfall, royalty, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, real or personal property, development, production, occupancy, employer health, payroll, employment, occupation, health, social services, workers compensation, utility, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, all licence, franchise and registration fees, all employment insurance, health insurance and federal, state, provincial and other pension plan premiums or contributions imposed by any Governmental Authority and any special COVID-19 tax relief (including, for greater certainty, any COVID-19 Subsidy); (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 clause (i) above or this clause (ii); (iii) any liability for the payment of any amounts of the type described in clauses (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 clauses (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 Returns**” means returns, reports, declarations, elections, designations, notices, filings, forms, statements, COVID-19 Returns, and other documents (whether in tangible, electronic or other form) including any amendments, schedules, attachments, supplements, appendices and exhibits thereto, and any claims for refund, declarations of estimated Tax and information returns in each case made, prepared, filed or required by a Governmental Authority to be made, prepared or filed by Laws in respect of Taxes.

“**Termination Deadline**” means 5:00 p.m. (Toronto time) on February 28, 2022, or such other time and date as may be mutually agreed to by Federated and PopReach, each acting reasonably and in good faith.

“**Transaction**” has the meaning set out in the recitals hereof.

“**TSXV**” means the TSX Venture Exchange.

“**UCC**” shall mean the Uniform Commercial Code as from time to time in effect in the states of Delaware, Wyoming, Texas and any other applicable jurisdiction.

“**Voting Agreement**” has the meaning set out in the recitals hereof.

1.2 Interpretation Not Affected by Headings

The division of this Agreement into articles, sections, subsections, paragraphs and subparagraphs and the insertion of headings herein are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement. The terms “**this Agreement**”, “**hereof**”, “**herein**”, “**hereto**”, “**hereunder**” and similar expressions refer to this Agreement and the schedules attached hereto and not to any particular article, section or other portion hereof and include any agreement, schedule or instrument supplementary or ancillary hereto or thereto.

1.3 Number and Gender

In this Agreement, unless the context otherwise requires, words importing the singular only shall include the plural and vice versa, words importing the use of either gender shall include both genders and neuter.

1.4 Date for Any Action

If the date on which any action is required to be taken hereunder by any party hereto is not a Business Day, such action shall be required to be taken on the next succeeding day that is a Business Day.

1.5 Statutory References

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

1.6 Currency

Unless otherwise stated, all references in this Agreement to amounts of money are expressed in lawful money of Canada.

1.7 Time of Essence.

Time shall be of the essence hereof.

1.8 Invalidity of Provisions

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof. To the extent permitted by Applicable Laws, the Parties hereto waive any provision of Law that renders any provision of this Agreement or any part thereof invalid or unenforceable in any respect. The Parties hereto shall engage in good faith negotiations to replace any provision hereof or any part thereof that is declared invalid or unenforceable with a valid and enforceable provision or part thereof, the economic effect of which approximates as much as possible the invalid or unenforceable provision or part thereof that it replaces.

1.9 Certain References and Phrases

References to any contract, license, lease, agreement, indenture, arrangement or commitment shall be a reference to such contract, license, lease, agreement, indenture, arrangement or commitment, as amended, modified or supplemented from time to time in accordance with the terms thereof. The words “**the aggregate of**”, “**the total of**”, “**the sum of**”, or a phrase of similar meaning means “the aggregate (or total or sum), without duplication, of.” In this Agreement, the phrase “**in the ordinary course of business**” or “**ordinary course**” and similar expressions shall, as applicable, mean and refer to the ordinary course of business conduct of a Party (or its Subsidiaries) in a commercially reasonable and business-like manner consistent with the past practices of such Party.

1.10 Accounting Matters

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under IFRS and all determinations of an accounting nature required to be made hereunder shall be made in a manner consistent with IFRS.

1.11 Knowledge

Where the phrases “**to the knowledge of PopReach**” or “**to PopReach’s knowledge**” or “**to the knowledge of Federated**” or “**to Federated’s knowledge**” are used in respect of PopReach, Federated or their respective Subsidiaries, as applicable, such phrase shall mean, in respect of each representation and warranty or other statement which is qualified by such phrase, that such representation and warranty or other statement is being made based upon: (a) in the case of PopReach and its Subsidiaries, the actual collective knowledge, after reasonable inquiry, of Jon Walsh, Christopher Locke and Greg Donaldson; and (b) in the case of Federated and its Subsidiaries, the actual collective knowledge, after reasonable inquiry, of Ted Hastings, Amy Hastings, Jeff Collins, Mike Fitzgerald and Kevin Ferrell.

1.12 Subsidiaries

To the extent any covenants or agreements contained herein relate, directly or indirectly, to a Subsidiary of PopReach or Federated, each such provision shall be construed as a covenant by PopReach or Federated, respectively, to cause (to the fullest extent to which it is legally capable) such Subsidiary to perform the required action.

1.13 Schedules

The following schedules are attached to, and are deemed to be incorporated into and form part of, this Agreement:

Schedule	Matter
Schedule "A"	Form of Amalgamation Agreement
Schedule "B"	Executive Employees
Schedule "C"	Form of Executive Employment Agreement

The Disclosure Schedules and schedules referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.

ARTICLE II AMALGAMATION AND RELATED MATTERS

2.1 Amalgamation

Upon the terms and subject to the conditions set forth in this Agreement, the Amalgamating Parties hereby agree to amalgamate and continue as one corporation pursuant to the OBCA upon the terms and conditions hereinafter set out.

2.2 Amalco

At the Effective Time:

- (a) The Amalgamation of the Amalgamating Parties and their continuance as one corporation, Amalco, under the terms and conditions prescribed in this Agreement and the Amalgamation Agreement shall be effective.
- (b) Amalco shall be named "Federated Foundry Limited" or such other name as may be mutually agreed to by the Parties, each acting reasonably.
- (c) The articles of amalgamation of Amalco shall be deemed to be the articles of incorporation of Amalco and the Certificate shall be deemed to be the certificate of incorporation of Amalco.
- (d) The registered office of Amalco shall be 1 University Avenue, 3rd Floor, Toronto, ON, M5J 2P1.
- (e) Unless otherwise changed in accordance with the provisions of Amalco's articles, the board of directors of Amalco from time to time shall be empowered to determine the number of directors of Amalco within the minimum and maximum

number set out in Amalco's articles, as may be amended, restated, supplemented or otherwise modified from time to time.

- (f) The number of directors of Amalco shall be three (3), comprised of Ted Hastings, Christopher Locke and Jon Walsh. These directors shall hold office until the next annual or annual and special meeting of the sole shareholder of Amalco or until their successors are elected or appointed in accordance with the provisions of Amalco's articles and bylaws.
- (g) The fiscal year end of Amalco shall be December 31 in each year, until changed by resolution of the board of directors of Amalco.
- (h) The amount to be added to the stated capital account maintained in respect of Amalco Shares in connection with the issue of Amalco Shares under Section 2.3. on the Effective Date shall be the amount which is the sum of (i) the aggregate paid-up capital for the purposes of the Tax Act in respect of the issued and outstanding Federated Shares that are exchanged for Consideration Shares hereunder, and (ii) the paid-up capital for the purposes of the Tax Act in respect of the issued and outstanding Subco Shares immediately prior to the Amalgamation.
- (i) The amount to be added to the stated capital account maintained in respect of the common shares of PopReach in respect of the issuance of the Consideration Shares will be equal to the paid-up capital for the purposes of the Tax Act of the Federated Shares for which such Consideration Shares were issued hereunder.

2.3 Amalgamation Steps

Upon the terms and subject to the conditions contained in this Agreement, and subject to Sections 2.10 and 2.11, on the Effective Date:

- (a) Each issued and outstanding Subco Share shall be exchanged for one fully paid and non-assessable Amalco Share, and all such Subco Shares shall be cancelled.
- (b) Each issued and outstanding Federated Share (including, for clarity, each Federated Share issuable upon due exercise, conversion and/or exchange of all Federated securities exercisable, convertible and/or exchangeable for or into Federated Shares) shall be exchanged for the number of PopReach Shares equal to the Exchange Ratio, such PopReach Shares to be fully paid and non-assessable and issued by PopReach from treasury, and all such Federated Shares shall be cancelled.
- (c) In consideration of the issuance by PopReach of the PopReach Shares, Amalco shall issue to PopReach 999,999 fully paid and non-assessable Amalco Shares.
- (d) PopReach shall reconstitute the PopReach Board, in compliance with the regulations of the TSXV and applicable Securities Laws, to consist of three (3) directors appointed by PopReach (being Jon Walsh, Christopher Locke and Mike Vorhaus) and four (4) directors appointed by Federated (being Ted Hastings and three independent directors), which directors shall hold office until the next annual or annual and special meeting of the PopReach Shareholders or until their successors are elected or appointed in accordance with the provisions of PopReach's articles and bylaws.

- (e) PopReach shall reconstitute the management of PopReach, in compliance with the regulations of the TSXV and applicable Securities Laws, to consist of Ted Hastings as Executive Chairman, Jon Walsh as Chief Executive Officer, Christopher Locke as President, Greg Donaldson as Chief Financial Officer and Amy Hastings as General Counsel and Corporate Secretary, in each case subject to the receipt of all applicable regulatory approvals.

2.4 Exchange Ratio

- (a) “**Exchange Ratio**” shall be equal to the quotient of (i) the Purchase Price divided by \$0.80; *divided by* (ii) the number of Federated Shares issued and outstanding (including, for clarity, each Federated Share issuable upon due exercise, conversion and/or exchange of all Federated securities exercisable, convertible and/or exchangeable for or into Federated Shares) on the Effective Date.
- (b) “**Purchase Price**” shall be equal to \$160 million, *minus* (i) the Closing Debt and (ii) the amount, if any, by which the Closing Date Working Capital is less than \$5 million. For the purpose of calculating the Closing Debt, an exchange rate of US\$1.00 = CDN\$1.2629 shall be applied, and for the purpose of calculation the Closing Date Working Capital, an exchange rate equal to the average of the Bank Canada daily exchange rate from the date the Closing Date Statement is first delivered by Federated to PopReach pursuant to Section 2.4(c) and the date that the Closing Date Working Capital is final and agreed to by the Parties (which shall be no less than three (3) Business Days before the Closing) shall be applied.
- (c) No later than thirty (30) Business Days before the Closing, Federated shall have provided to PopReach all such information, agreements, working papers and other relevant backup, information and documents, and confirmed to PopReach’s satisfaction, acting reasonably, as to Federated’s best efforts good faith estimate of closing working capital based on the calculations presented in Section 2.4(c) of the Federated Disclosure Schedules (the “**Closing Date Working Capital**”) as well as Federated’s best efforts good faith estimate of the aggregate amounts of Debt due, accrued and/or owing by Federated or any of its Subsidiaries as at such date and which will remain due, accrued and owing as at the Effective Date (other than such Debt to the extent fully accounted for in the calculation of the Closing Date Working Capital), including, for greater certainty, any and all Debt due, accrued and/or owing or arising in connection with Federated’s acquisitions of its Subsidiaries, to any of the respective vendors, employees or other related or associated Persons of any such Person or of Federated (the “**Closing Debt**”), and Federated shall have delivered to PopReach a statement setting out its good faith best estimate balance sheet of Federated as of the Effective Date (without giving effect to the transactions contemplated herein), a calculation of the Closing Date Working Capital and the Closing Debt (the “**Closing Date Statement**”) based on the calculations presented in Section 2.4(c) of the Federated Disclosure Schedules, which the Parties acknowledge and agree will be the calculations for the Closing Date Statement, and a certificate of the Chief Financial Officer of Federated that the Closing Date Statement was prepared in accordance with IFRS applied using the same accounting methods, practices, principles, policies and procedures, with consistent classifications, judgments and valuation and estimation methodologies

that were used in the preparation of the Federated Financial Statements as if such Closing Date Statement was being prepared and audited as of a financial year end.

- (d) Federated will permit PopReach to audit the Closing Date Statement and review the working papers and all other documentation, information and records used or prepared by Federated in connection with the preparation of, or which otherwise form the basis of, the Closing Date Working Capital and the Closing Debt. If the Parties are unable to reach agreement on the Closing Date Working Capital or Closing Debt, within fifteen (15) Business Days following delivery by Federated of the Closing Date Statement, the dispute will be referred for determination by arbitration to a senior audit partner at the Toronto office of MNP LLP. The determination by such arbitrator will be made within a further ten (10) Business Days of such referral and will be final and binding on all Parties
- (e) The Closing Debt shall be assumed by PopReach, provided that Federated shall ensure that all such debt is subordinated to the PopReach Credit Agreement and otherwise acceptable to the PopReach Lender pursuant to Section 8.2(i).
- (f) Notwithstanding any other terms herein, the Parties agree in good faith to use commercially reasonable best efforts to revise the Closing Date Statement as needed until 5:00 p.m. (Toronto time) on the day that is one Business Day before the day of the Closing.

2.5 Lock-Up Agreements

In addition to any escrow, resale or transfer restrictions or distribution requirements under Applicable Laws or the rules, policies or requirements of the TSXV, all of the Consideration Shares issued to Federated Shareholders pursuant to Section 2.3 shall be subject to a lock-up, with 25% released upon the issuance of the TSXV Bulletin for the Transaction and additional 25% at the end of each 6-month period thereafter. In furtherance of the foregoing, it shall also be a condition to the issuance of the PopReach Shares to the Federated Shareholders that Federated deliver to PopReach at or prior to the Closing, duly executed undertaking from each Federated Shareholder in favour of PopReach, pursuant to which each Federated Shareholder will agree, subject to customary carve-outs and exceptions, not to, directly or indirectly, offer, sell, grant, secure, pledge, or otherwise transfer, dispose of or monetize, or engage in any hedging transaction, or enter into any form of agreement or arrangement the consequence of which is to alter economic exposure to, or announce any intention to do so, in any manner whatsoever, any PopReach Shares issued to Federated Shareholders pursuant to Section 2.3 (or announce any intention to do so) for such prescribed periods (“**Federated Lock-Up Agreements**”).

2.6 Certificates and Evidence of Ownership

- (a) Subject to Section 2.5, the holders of record of Federated Shares shall be, and be deemed to be, the registered holders of the PopReach Shares to which they are entitled hereunder, without any further action on the part of such registered holder.
- (b) Subject to Section 2.5, PopReach shall, or shall cause or direct its transfer agent to issue to each holder of record of Federated Shares, certificates or other evidence of ownership satisfactory to Federated, acting reasonably (including uncertificated records registered in the name of CDS Clearing and Depository Services Inc. on

the book-based securities transfer system administered by it, *provided that* U.S. Persons as identified by the Federated must be issued physical certificates or DRS Advices), in each case bearing such legends as may be required by the terms and conditions of this Agreement, the TSXV or other Governmental Authority, representing the number of PopReach Shares to which such holder is entitled pursuant and in accordance with the terms and conditions of this Agreement, without any further action on the part of such registered holder.

- (c) PopReach, as the registered holder of the Subco Shares, shall be deemed to be the registered holder of Amalco Shares to which it is entitled hereunder and upon surrender of the certificates representing such Subco Shares to Amalco, PopReach shall be entitled to receive a share certificate representing the number of Amalco Shares to which it is entitled as set forth in Section 2.3.
- (d) Certificates and other corporate records evidencing Federated Shares shall cease to represent any claim upon or interest in Federated or Amalco other than the right of the holder to receive, pursuant to the terms hereof and the Amalgamation, PopReach Shares in accordance with Section 2.3.
- (e) The Parties agree that the PopReach Shares issued to the former Federated Shareholders resident in or subject to the laws of the United States in connection with the Transaction will be “restricted securities” within the meaning of Rule 144 of the 1933 Act. Each certificate representing the PopReach Shares issued to holders resident in or subject to the laws of the United States will bear a legend in substantially the form that follows:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “1933 ACT”), OR UNDER ANY STATE SECURITIES LAWS AND ARE “RESTRICTED SECURITIES” AS THAT TERM IS DEFINED IN RULE 144 UNDER THE 1933 ACT. THE HOLDER HEREOF, BY ACQUIRING SUCH SECURITIES, AGREES FOR THE BENEFIT OF POPREACH CORPORATION (THE “ISSUER”) THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE ISSUER; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE 1933 ACT AND IN COMPLIANCE WITH APPLICABLE UNITED STATES STATE LAWS AND REGULATIONS AND APPLICABLE LOCAL LAWS AND REGULATIONS; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE 1933 ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE 1933 ACT OR ANY APPLICABLE STATE SECURITIES LAWS, OR (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE 1933 ACT AND, IN THE CASE OF PARAGRAPH (C) OR (D), THE SELLER FURNISHES TO THE ISSUER AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE ISSUER TO SUCH EFFECT.”

Federated agrees that it will obtain from each Federated Shareholder resident in the United States a certificate that such shareholder is an “accredited investor” as such term is defined in Regulation D.

2.7 No Fractional Shares

No fractional PopReach Shares shall be issued to any Person pursuant to this Agreement. Subject to compliance with TSXV policies, the number of PopReach Shares, to be issued to any Person pursuant to this Agreement shall, without additional compensation, be rounded down to the nearest whole PopReach Share.

2.8 Dissenting Federated Shareholders

In the event that one or more Federated Shareholders dissent to authorizing the Amalgamation, subject to the OBCA and Applicable Laws, such dissenting shareholder(s) shall cease to have any rights as a shareholder of Federated other than the right to be paid the fair value of its dissenting Federated Shares in the amount agreed to between such shareholder(s) and Federated or as ordered by the court pursuant to Section 185 of the OBCA, as the case may be. Notwithstanding anything in this Agreement to the contrary, subject to the OBCA and Applicable Laws, Federated Shares that are held by a dissenting shareholder shall not be exchanged for PopReach Shares on the Effective Date as set forth under Section 2.3. However, in the event that a dissenting shareholder fails to perfect or effectively withdraws its claim under Section 185 of the OBCA or otherwise forfeits its right to make a claim under Section 185 of the OBCA, the dissenting shareholder’s Federated Shares shall thereupon be deemed to have been exchanged for the PopReach Shares as of the Effective Date on the basis set forth in Section 2.3.

2.9 Fully Paid Shares

All PopReach Shares and Amalco Shares issued pursuant to this Agreement shall be fully paid and non-assessable, and PopReach and Amalco, as applicable, shall be deemed to have received the full consideration therefor and as such consideration shall not be cash consideration, any such non-cash consideration shall have a value that is not less in value than the fair equivalent of the money that PopReach and Amalco, as applicable would have received had the applicable shares been issued for cash consideration.

2.10 Tax Matters

PopReach and Subco shall be entitled to deduct and withhold, or to direct any Person to deduct and withhold, from any amount payable, issuable or otherwise deliverable (including any Consideration Shares) to any Federated Shareholder or otherwise hereunder such amounts as PopReach, Subco or any other Person may be required to deduct and withhold therefrom under any provision of Applicable Laws in respect of Taxes, provided that, to the extent permitted by Applicable Laws, prior to any such deduction or withholding, PopReach shall use commercially reasonable efforts to consult with the applicable Federated Shareholder and provide such Federated Shareholder with a reasonable opportunity to obtain independent tax advice, at such Federated Shareholder’s sole cost, expense and responsibility. To the extent that any amounts are so deducted and withheld, such amounts shall be treated for all purposes hereof as having been paid to the Person to whom such amounts would otherwise have been paid, provided that such withheld amounts are remitted to the appropriate Governmental Entity. To satisfy the amount required to be

deducted or withheld from any payment to any such Federated Shareholder or otherwise hereunder, PopReach may, in consultation with (but, for greater certainty, not subject to any consent or approval by) Federated and such Federated Shareholder, sell or otherwise dispose, or direct any other Person to sell or otherwise dispose, of any portion of the consideration issued to such holder in the form of Consideration Shares, on behalf of such holder, as is necessary to provide sufficient funds to enable PopReach to comply with such deduction and/or withholding requirements and PopReach shall notify the relevant Person of such sale or other disposition and remit to such Person any unapplied balance of the net proceeds of such sale or other disposition (after deduction for (x) the amounts required to satisfy the required withholding in respect of such Person, (y) reasonable commissions payable to the broker and (z) other reasonable costs and expenses). PopReach and Subco shall pay over, or cause to be paid over, to the appropriate Governmental Entity amounts withheld under this Section 2.11 in the time required by Applicable Law. For greater certainty, any Consideration Shares sold on behalf of a Federated Shareholder as described above will be issued by PopReach to such Person pursuant to the Amalgamation, and such Consideration Shares will be sold on behalf, and for the benefit, of such Person.

2.11 Federated Convertible Securities

Federated covenants to cause and ensure, and acknowledges and agrees that it is a condition precedent to the issuance of PopReach Shares to the Federated Shareholders pursuant to this Agreement, that all outstanding options, warrants, convertible debt securities and all other securities or rights convertible, exercisable or exchangeable for Federated Shares or any shares of any Federated Subsidiary (including vested and unvested, in-the-money or out-of-the-money, conditional or otherwise), including for greater certainty, the issued and outstanding common stock purchase warrants of Q1Media, Inc., as the case may be, shall have been exercised in full or in part or terminated, cancelled, expired or released, by no later than immediately prior to the Amalgamation.

ARTICLE III CLOSING

3.1 Closing

The Closing shall be completed via the electronic exchange of the Federated Closing Documents and PopReach and Subco Closing Documents at 9 a.m. (Toronto time) on the Effective Date, or at such other time and/or place as may be mutually agreed upon by the Parties.

3.2 Closing Deliveries of Federated

On the day of Closing, Federated shall deliver to PopReach and Subco the following documents:

- (a) a certified copy of the resolutions of the Federated Board and Federated Shareholders, as applicable, approving and authorizing the transactions herein contemplated;
- (b) share certificates representing the Federated Shares, free and clear of all Encumbrances, duly endorsed in blank or accompanied by forms of share transfers or other instruments of transfer duly executed in blank;

- (c) a certificate of status for Federated and each of its Subsidiaries, dated no more than two (2) days prior to Closing;
- (d) an officer's certificate with respect to the constating documents of Federated and each of its Subsidiaries;
- (e) the officer's certificate from a senior officer of Federated, signing for and on behalf of Federated, confirming that statements set forth in Sections 8.2(a) and 8.2(b);
- (f) the Federated Lock-Up Agreements, executed by each Federated Shareholder pursuant to Section 2.5;
- (g) the Federated Standstill Agreements, executed by the applicable Federated Shareholders pursuant to Section 9.2;
- (h) evidence satisfactory to PopReach, acting reasonably, that Federated shall have fully performed, fulfilled or complied with its covenant contained in Section 2.11 at or prior to Closing;
- (i) the results of searches of PPSA registrations, UCC filings, and equivalent filings against Federated and its Subsidiaries, as applicable, together with copies of the financing statements, PPSA registrations and other filings (or similar documents) disclosed by such searches, and accompanied by evidence satisfactory to PopReach, acting reasonably, that the Encumbrances indicated in any such financing statement, PPSA registration and other filings (or similar document) are Permitted Encumbrances or have been released;
- (j) executive employment agreements for each of the Federated and Notify AI, LLC employees listed in Schedule "B" hereto (collectively, the "**Executive Employees**"), in the forms attached as Schedule "C" hereto (the "**Executive Employment Agreements**"), executed by each of the Executive Employees;
- (k) evidence satisfactory to PopReach, acting reasonably, that the Non-Arm's Length Agreements with the Executive Employees and all Non-Arm's Length Agreements in respect of Debt that is not Closing Debt, have been terminated and customary releases executed and delivered by each such Person that is a counterparty thereto in favour of PopReach and its Affiliates;
- (l) such other documents, instruments or other evidence as may be necessary to complete the transactions contemplated in Article VIII.

3.3 Closing Deliveries of PopReach and Subco

On the day of Closing, PopReach and Subco shall deliver to Federated the following documents:

- (a) a certified copy of the resolutions of the PopReach Board and PopReach Shareholders and the directors and the sole shareholder of Subco, as applicable, approving and authorizing the transactions, the Meeting Matters and issuances, creation, reservation and delivery of the Consideration Shares herein contemplated;
- (b) customary confirmation from PopReach's transfer agent as to the issuance of the Consideration Shares;

- (c) a certificate of status for each of PopReach and Subco, dated no more than two (2) days prior to Closing;
- (d) an officer's certificate with respect to the constating documents of each of PopReach and Subco;
- (e) the officer's certificate from a senior officer of PopReach and Subco, signing for and on behalf of each of PopReach and Subco, confirming that statements set forth in Sections 8.3(a) and 8.3(b);
- (f) the Executive Employment Agreements, each executed by PopReach, Subco or a Subsidiary of Subco, as applicable;
- (g) evidence satisfactory to Federated, acting reasonably, that as of the Closing, PopReach shall have cash on hand of no less than \$9 million, or such lesser amount as may otherwise be agreed to by the Parties at or prior to the Closing; and
- (h) such other documents, instruments or other evidence as may be necessary to complete the transactions contemplated in Article VIII.

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF POPREACH AND SUBCO

Except as set forth in the correspondingly number section of the PopReach Disclosure Schedules, PopReach and Subco hereby jointly and severally represent and warrant to Federated as of the date hereof, and acknowledge that Federated is relying upon each of such representations and warranties in connection with the transactions contemplated hereof, that:

4.1 Organization and Qualification

Each of PopReach and Subco has been duly incorporated or otherwise organized and is validly existing as a corporation under the OBCA and has the corporate power and authority to own its Assets and conduct its business as now owned and conducted and no steps or proceedings have been taken by any Person, voluntary or otherwise, requiring or authorizing the dissolution or winding up of PopReach or Subco. PopReach is duly qualified, licensed or registered to conduct business and is in good standing in each jurisdiction in which its Assets are located or it conducts business, and has all necessary governmental licenses, Authorizations, permits, consents and approvals required to own, lease and operate its properties and Assets and to carry on its business as now conducted, except for those licenses, Authorizations, permits, consents and approvals the absence of which do not have and would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect with respect to PopReach. Subco has been incorporated solely for the purpose of the Transaction and has never carried on any business and has no Assets and no liabilities or indebtedness of any kind (whether accrued, absolute, contingent or otherwise), nor is there any basis for assertion against Subco of any such liabilities or indebtedness of any kind.

4.2 Corporate Authorization

Subject to the PopReach Shareholder Approval, the execution, delivery and performance by PopReach and Subco of this Agreement and the consummation by PopReach and Subco of the Transaction are within PopReach and Subco's corporate powers and have been duly authorized by

all necessary corporate action on the part of PopReach and Subco and no other corporate proceedings on the part of PopReach and Subco are necessary to authorize this Agreement or the Transaction.

4.3 No Conflicts

The execution, delivery and performance by each of PopReach and Subco of this Agreement and the consummation of the Transaction, all in accordance with the terms and conditions hereof, do not and shall not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition), violate, conflict with or result in a breach of, or permit the termination, cancellation, acceleration or other change of any right or obligation under:

- (a) any of the articles of incorporation, by-laws or other constating documents of PopReach and its Subsidiaries;
- (b) any Contract that if terminated, breached or not renewed would or would reasonably be expected to have a Material Adverse Effect with respect to PopReach and its Subsidiaries;
- (c) except for compliance with applicable Securities Laws, any statute, rule, regulation or Law applicable to PopReach; and
- (d) assuming compliance with the matters referred to in clauses (b) and (c) above, any provision of any Applicable Law or any license, approval, consent or Authorization issued by a Governmental Authority held by PopReach or its Subsidiaries,

with such exceptions as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect with respect to PopReach and its Subsidiaries.

4.4 Execution and Binding Obligation

This Agreement has been duly executed and delivered by each of PopReach and Subco, and constitutes a legal, valid and binding agreement enforceable against them in accordance with its terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization or other Laws of general application relating to or affecting the enforcement of creditors' rights generally, and (ii) the discretion that a court may exercise in the granting of extraordinary remedies such as specific performance and injunction.

4.5 Third Party Consents

Except as set forth in Section 4.5 of the PopReach Disclosure Schedules, no consent, waiver or approval from other parties to the Contracts of PopReach or its Subsidiaries is (i) required to be obtained by PopReach in connection with the execution, delivery and performance by PopReach of this Agreement or the consummation of the Transaction, or (ii) required in order to maintain the Contracts of PopReach or its Subsidiaries in full force and effect immediately upon the consummation of the Transaction, except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect with respect to PopReach and its Subsidiaries.

4.6 Governmental Approvals

The execution, delivery and performance by PopReach and Subco of this Agreement and the consummation by PopReach and Subco of the Transaction require no consent, waiver or approval or any action by or in respect of, or filing with, or notification to, any Governmental Authority by PopReach or Subco other than: (i) the approvals of the TSXV as set forth in this Agreement; and (ii) any consents, waivers, approvals, actions or filings or notifications, the absence of which would not have, individually or in the aggregate, a Material Adverse Effect with respect to PopReach and its Subsidiaries.

4.7 Authorized and Issued Capital

The authorized capital of PopReach consists of an unlimited number of PopReach Shares. As of the date hereof, there are: (i) 73,123,254 PopReach Shares issued and outstanding; and (ii) an aggregate of not more than 16,079,403 PopReach Shares reserved for issuance pursuant to outstanding options, warrants, convertible securities and other rights to acquire PopReach Shares. The authorized capital of Subco consists of an unlimited number of Subco Shares. As of the date hereof, there is one (1) common share of Subco issued and outstanding, of which PopReach is the registered and beneficial owner. All outstanding PopReach Shares and Subco Shares have been authorized and are validly issued and outstanding as fully paid and non-assessable shares, free of pre-emptive rights.

4.8 Shareholders' and Similar Agreements

Neither PopReach nor any of its Subsidiaries is subject to any unanimous shareholders agreement and is not a party to any shareholder, pooling, voting, voting trust or other similar arrangement or agreement relating to the ownership or voting of any of the securities of PopReach or of any of its Subsidiaries or pursuant to which any Person may have any right or claim in connection with any existing or past equity interest in PopReach or in any of its Subsidiaries and PopReach has not adopted a shareholders' rights plan or any similar plan or agreement.

4.9 Subsidiaries

- (a) Section 4.9(a) of the PopReach Disclosure Schedules sets forth a complete and accurate list as of the date of this Agreement of all Persons in which PopReach owns or controls, directly or indirectly, any material equity or proprietary interest indicating (i) the jurisdiction of incorporation, organization or formation of such Person, (ii) its name and (iii) the percentage owned directly or indirectly by PopReach and the percentage owned, and the identity of, each other registered holder of capital stock or other equity interests if other than PopReach and its Subsidiaries.
- (b) Each Subsidiary of PopReach: (i) is a corporation, trust or partnership, as the case may be, duly organized and validly existing under the Laws of the jurisdiction of its incorporation, organization or formation, as the case may be, and no steps or proceedings have been taken by any Person, voluntary or otherwise, requiring or authorizing the dissolution or winding up of the Subsidiary, (ii) has all requisite corporate, trust or partnership power and authority, as the case may be, to own, lease and operate its properties and Assets and to conduct its business as now owned

and conducted in each jurisdiction in which the conduct of its business or the ownership, leasing or operation of its property and Assets requires such qualification, and (iii) is duly qualified, licensed or registered to conduct business and is in good standing in each jurisdiction in which its Assets are located or it conducts business.

- (c) PopReach owns, directly or indirectly, all of the issued and outstanding shares or other equity interests of each of the Subsidiaries, free and clear of any Encumbrances, except for Permitted Encumbrances, and all such shares and other equity interests so owned directly or indirectly by PopReach have been duly authorized and validly issued, as fully paid and non-assessable and have been issued in material compliance with all Applicable Laws and no Person has any agreement, option, right or privilege (whether pre-emptive or contractual) capable of becoming an agreement, for the purchase from PopReach or any of its Subsidiaries of any interest in any of the shares in the capital of the Subsidiaries of PopReach. Except as disclosed in Section 4.9(c) of the PopReach Disclosure Schedules, neither PopReach nor any of its Subsidiaries, beneficially or of record, owns any equity interest of any kind in any other Person.

4.10 Securities Laws Matters

- (a) PopReach is a “**reporting issuer**” under Securities Laws in all provinces and territories of Canada, is not on the list of reporting issuers in default under the Securities Laws of such provinces and territories and is in compliance, in all material respects, with such Securities Laws.
- (b) PopReach Shares are listed and posted for trading on the TSXV and the OTC and are not listed for trading on any other stock exchange.
- (c) PopReach has not taken any action to cease to be a reporting issuer in any province or territory nor has PopReach received notification from any Securities Authority seeking to revoke the reporting issuer status of PopReach.
- (d) PopReach is in compliance and up to date with all filings under applicable Securities Laws by PopReach with the Securities Authorities.
- (e) Other than the trading halt of the PopReach Shares on the TSXV on August 17, 2021, in connection with the execution of the Letter of Intent, no order, ruling or determination having the effect of ceasing or suspending trading in any securities of PopReach has been issued and no proceedings for such purpose are pending or threatened, and PopReach has not taken any action which would be reasonably expected to result in the delisting or suspension of the PopReach Shares on or from the TSXV.

4.11 Auditors

To the knowledge of PopReach, there has never been a reportable event (within the meaning of National Instrument 51-102 – *Continuous Disclosure Obligations*) between PopReach or any of its Subsidiaries and its auditors.

4.12 Internal Accounting Controls

PopReach and its Subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurances that: (a) transactions are executed in accordance with management's general or specific authorization; and (b) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS and to maintain accountability for Assets. To the knowledge of PopReach, as of the date of this Agreement, there is no fraud that involves management or any other employees who have a significant role in the internal control over financial reporting of PopReach.

4.13 Security Ownership

None of PopReach or any of its Subsidiaries, any of their Affiliates, any such Person's Representatives or any other Person acting jointly or in concert with any of them, beneficially owns or controls (directly or indirectly, economically, or through derivatives or otherwise) any securities of Federated or any of its Affiliates.

4.14 Filings

Documents or information filed by PopReach under Applicable Law since June 30, 2020, and including PopReach's (a) annual information form dated April 26, 2021, (b) audited consolidated financial statements as at and for the year ended December 31, 2020, and December 31, 2019, and related management discussion and analysis, (c) management information circular dated September 16, 2020, in respect of PopReach's annual and special meeting of shareholders held October 20, 2020, and (d) any material change reports that have been filed by PopReach between June 30, 2020, and the date hereof are, and any such documents or information filed by PopReach after the date hereof and before the Transaction is completed (collectively, the "**PopReach Filings**") shall be, as of their respective dates, in compliance in all material respects with Applicable Law and do not contain any Misrepresentation as of their respective dates. PopReach has not filed any confidential material change reports that remain confidential.

4.15 Financial Statements

The PopReach Financial Statements have been prepared in accordance with IFRS (subject to year-end adjustments, where applicable) applied on a basis consistent with prior periods and present fairly, in all material respects, the consolidated financial position of PopReach and its Subsidiaries as of the respective dates thereof and for the respective periods covered thereby (except as may be otherwise indicated in PopReach Financial Statements and the notes thereto or the related report of PopReach's auditors).

4.16 Absence of Certain Changes or Events

Since August 16, 2021, other than the transactions contemplated by this Agreement, there has not been any event, occurrence, fact, effect or circumstance that has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect with respect to PopReach and its Subsidiaries.

4.17 No Undisclosed Liabilities

Neither PopReach nor its Subsidiaries has any material outstanding liabilities of the type required to be reflected as liabilities on a balance sheet prepared in accordance with IFRS, or obligations of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, other than (a) liabilities or obligations disclosed in the PopReach Financial Statements, (b) liabilities or obligations incurred in connection with the Transaction, (c) liabilities or obligations incurred in the ordinary course since January 1, 2021, and (d) liabilities or obligations that would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect with respect to PopReach and its Subsidiaries.

4.18 Stock Exchange Compliance

PopReach is in compliance in all material respects with the applicable listing and corporate governance rules and regulations of the TSXV.

4.19 Books and Records

All Books and Records of PopReach and its Subsidiaries have been maintained in accordance with sound and customary business practices.

4.20 Litigation

Except as may be disclosed in the PopReach Filings, there is no Action now pending or, to the knowledge of PopReach, threatened against PopReach or any of its Subsidiaries, which (a) if adversely determined, would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect with respect to PopReach and its Subsidiaries, or (b) would restrain, enjoin or otherwise prohibit or materially delay or otherwise materially and adversely affect the consummation of the Transaction.

4.21 Material Contracts

- (a) PopReach and its Subsidiaries have in all material respects performed the obligations required to be performed by it to date under its Material Contracts;
- (b) PopReach and its Subsidiaries are not in material breach of or default under any of its Material Contracts;
- (c) each Material Contract of PopReach is a legal, valid and binding obligation of PopReach or its Subsidiaries, as applicable, is in good standing in all material respects, is in full force and effect, and is enforceable by PopReach and its PopReach in accordance with its terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization or other Laws of general application relating to or affecting the enforcement of creditors' rights generally, and (ii) the discretion that a court may exercise in the granting of extraordinary remedies such as specific performance or injunction, and
- (d) PopReach and its Subsidiaries have not received written, or to the knowledge of PopReach, other notice of, any alleged breach of or alleged default under or dispute in connection with any Material Contract of PopReach and its Subsidiaries or of

any intention of any party to any Material Contract of PopReach and its Subsidiaries to cancel, terminate or otherwise modify or not renew its relationship with PopReach and its Subsidiaries,

with such exceptions as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect with respect to PopReach and its Subsidiaries.

4.22 Title to Assets

- (a) PopReach and its Subsidiaries have a valid leasehold interest in its leased real property, free and clear of any Encumbrances, except for Permitted Encumbrances.
- (b) PopReach and its Subsidiaries has good and valid title to, or a valid and enforceable leasehold interest in, as applicable, all material personal property owned or leased by it, free and clear of any Encumbrances, except for Permitted Encumbrances.

4.23 No Insolvency

No proceedings have been taken, are pending or authorized by either PopReach or its Subsidiaries or by any other Person in respect of the bankruptcy, insolvency, liquidation or winding up of either PopReach or its Subsidiaries.

4.24 Compliance with Law

Each of PopReach and its Subsidiaries and, to the knowledge of PopReach, their respective directors and officers:

- (a) is and at all times has been in compliance with all Applicable Laws in all material respects;
- (b) has not received any correspondence or notice from any Governmental Authority alleging or asserting material non-compliance with any Applicable Laws or any Authorizations;
- (c) has not received notice of any pending or threatened claim, suit, proceeding, charge, hearing, enforcement, audit, investigation, arbitration or other Action from any Governmental Authority or third party alleging that any operation or activity of PopReach, its Subsidiaries or any of their respective directors, or officers is in violation of any Applicable Laws or Authorizations that, if finally determined adversely to PopReach would be expected to result in a Material Adverse Effect with respect to PopReach and its Subsidiaries, and has no knowledge or reason to believe that any such Governmental Authority or third party is considering any such claim, suit, proceeding, charge, hearing, enforcement, audit, investigation, arbitration or other Action;
- (d) has not received notice that any Governmental Authority has taken, is taking or intends to take action to limit, suspend, modify or revoke any material Authorizations and has no knowledge or reason to believe that any such Governmental Authority is considering such action;

- (e) has, or has had on its behalf, filed, declared, obtained, maintained or submitted all reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments as required by any Applicable Laws or Authorizations and that all such reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments were materially complete and correct on the date filed (or were corrected or supplemented by a subsequent submission); and
- (f) is not subject to any judgment, order, writ, injunction, decree or Award of any Governmental Authority, which, either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect with respect to PopReach and its Subsidiaries.

4.25 Restrictions on Business Activities

Subject to the PopReach Credit Agreement, there is no agreement, judgment, injunction, order or decree binding upon PopReach or any of its Subsidiaries that has or would reasonably be expected to have the effect of prohibiting, restricting or materially impairing any business practice of PopReach or any of its Subsidiaries or the conduct of business by PopReach or any of its Subsidiaries as currently conducted other than such agreements, judgments, injunctions, orders or decrees which would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect with respect to PopReach and its Subsidiaries.

4.26 Employees

- (a) Section 4.26(a) of the PopReach Disclosure Schedules sets out a complete and accurate list of the names of all individuals who are full-time or part-time employees or individuals engaged on contract to provide services or sales or other agents or representatives of PopReach and its Subsidiaries (“**PopReach Employees**”) and the position, length of service, location of employment and compensation and benefits of each Employee. Such list includes all PopReach Employees as at the date hereof including any on lay-off or leave of absence, who have been absent continually from work for a period in excess of one month.
- (b) PopReach is in material compliance with all Laws respecting employment and employment practices, including but not limited to, terms and conditions of employment, pay equity and wages and has not and is not engaged in any unfair labour practice.
- (c) Section 4.26(c) of the PopReach Disclosure Schedules sets out a complete and accurate list of all independent contractors or consulting Contracts. Each independent contractor of PopReach or its Subsidiaries has been properly classified as an independent contractor and neither PopReach nor any of its Subsidiaries has received any notice from any Governmental Authority disputing such classification.
- (d) Except as set out in Section 4.26(d) of the PopReach Disclosure Schedules, neither PopReach nor any of its Subsidiaries has entered into any written or oral agreement or understanding providing for severance, termination or other similar payments to any director, officer, employee or consultant in connection with the termination of

their position or their employment as a result of the transaction contemplated by this Agreement.

- (e) As of the date of this Agreement, none of PopReach or any of its Subsidiaries is subject to any claim for wrongful dismissal, constructive dismissal or any other tort claim, actual or, to the knowledge of PopReach, threatened, or any litigation actual, or to the knowledge of PopReach, threatened, relating to employment or termination of employment of employees or independent contractors.

4.27 Employee Plans

- (a) In each case in all material respects, all of PopReach Benefit Plans are and have been established, registered, qualified and administered in accordance with all Applicable Laws, and in accordance with their terms, the terms of the material documents that support such PopReach Benefit Plans and the terms of agreements between PopReach or its Subsidiaries and their employees (present and former) who are members of, or beneficiaries under, PopReach Benefit Plans.
- (b) In each case in all material respects, (i) all current obligations of PopReach regarding PopReach Benefit Plans have been satisfied, and (ii) all contributions, premiums or Taxes required to be made or paid by PopReach by Applicable Laws or under the terms of each of the PopReach Benefit Plans have been made in a timely fashion in accordance with Applicable Laws and the terms of such PopReach Benefit Plans.
- (c) No PopReach Benefit Plan is subject to any Action initiated by any Governmental Authority, or by any other party (other than routine claims for benefits) which, if adversely determined, would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect with respect to PopReach and its Subsidiaries.
- (d) There are no material unfunded liabilities in respect of any PopReach Benefit Plan, including going concern unfunded liabilities, solvency deficiencies or wind-up deficiencies where applicable.
- (e) No PopReach Benefit Plan is a “**registered pension plan**” as such term is defined in the Tax Act.
- (f) The execution, delivery and performance of this Agreement and the consummation of the Transaction shall not (i) result in any material payment (including bonus, golden parachute, retirement, severance, unemployment compensation, or other benefit or enhanced benefit) becoming due or payable to any of the PopReach Employees, (ii) materially increase the compensation or benefits otherwise payable to any Employee, or (iii) result in the acceleration of the time of payment or vesting of any material benefits or entitlement otherwise available pursuant to any PopReach Benefit Plan.

4.28 Labour Matters

- (a) Neither PopReach nor any of its Subsidiaries is party to any collective bargaining agreements, enterprise agreements or analogous agreements. To the knowledge of PopReach, (i) neither PopReach nor any of its Subsidiaries is subject to any

application for certification or threatened or apparent union-organizing campaigns for employees not covered under a collective bargaining agreement, enterprise agreement or analogous agreement, (ii) there are no current or threatened strikes or lockouts affecting PopReach or its Subsidiaries or any complaint of unfair labour practice (other than routine individual grievances), (iii) there are no successor or related employer applications; and (iv) there are no employee associations, retiree associations, voluntary recognized or certified unions or analogous organizations authorized to represent any of the PopReach Employees.

- (b) No material labour dispute with current and former PopReach Employees or consultants of PopReach or its Subsidiaries exists, or, to the knowledge of PopReach, is imminent and PopReach and its Subsidiaries are not aware of any existing, threatened or imminent labour disturbance by the employees of any of the principal suppliers, manufacturers or contractors of PopReach or its Subsidiaries that would have a Material Adverse Effect with respect to PopReach and its Subsidiaries.

4.29 Insurance

PopReach and its Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which it is engaged; and PopReach has no reason to believe that it will not be able to renew the existing insurance coverage of PopReach and its Subsidiaries as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Material Adverse Effect with respect to PopReach and its Subsidiaries.

4.30 Intellectual Property

PopReach or its Subsidiaries owns or has the right to use all of the Intellectual Property necessary for the business of PopReach and its Subsidiaries as of the date hereof. All registrations (or applications for registrations), if any, and filings that PopReach has considered necessary to preserve the rights of PopReach in the Intellectual Property have been made and are in good standing. Neither PopReach nor its Subsidiaries have any pending Action or proceeding, nor, to the knowledge of PopReach, any threatened Action or proceeding, against any person with respect to the use of the Intellectual Property, and there are no circumstances which cast reasonable doubt on the validity or enforceability of the Intellectual Property necessary for the business of PopReach and its Subsidiaries. The conduct of the business of PopReach and its Subsidiaries does not, to the knowledge of PopReach, infringe upon the Intellectual Property rights of any other Person. PopReach has no pending Action or proceeding, nor, to the knowledge of PopReach, is there any threatened Action or proceeding against it with respect to PopReach's or any of its Subsidiaries' use of the Intellectual Property.

4.31 Taxes

- (a) PopReach and each of its Subsidiaries has duly and timely filed all material Tax Returns required by Law to be filed by them prior to the date hereof and all such Tax Returns are true, complete and correct in all material respects.

- (b) PopReach and each of its Subsidiaries has paid as required by Law on a timely basis all material Taxes which are due and payable (including instalments on account of Taxes for the current year required by applicable Law), whether or not assessed by the appropriate Governmental Authority, all assessments and reassessments, and all other material Taxes due and payable by them on or before the date hereof, other than those which are being or have been contested in good faith and in respect of which reserves have been provided in the most recently published consolidated financial statements of PopReach. PopReach and its Subsidiaries have provided adequate accruals in accordance with applicable accounting standards in its Books and Records and in the most recently published consolidated financial statements of PopReach for any material Taxes of PopReach and each of its Subsidiaries for the period covered by such financial statements that have not been paid whether or not shown as being due on any Tax Returns. Since such publication date, no material liability in respect of Taxes not reflected in such statements or otherwise provided for has been assessed, proposed to be assessed, reassessed, incurred or accrued, other than in the ordinary course.
- (c) Other than customary audit and review in the ordinary course in respect of PopReach's Ontario Interactive Digital Media Tax Credit and similar tax credit filings, no material claims, audits, deficiencies, reassessments, litigation, proposed adjustments or other matters of controversy are ongoing or have been asserted in writing with respect to Taxes of PopReach or any of its Subsidiaries, and neither PopReach nor any of its Subsidiaries is a party to any material Action or proceeding for assessment or collection of Taxes and no such event has been asserted or, to the knowledge of PopReach, threatened in writing against PopReach or any of its Subsidiaries or any of their respective Assets.
- (d) No written claim to PopReach or any of its Subsidiaries has been made by any Governmental Authority in a jurisdiction where PopReach or any of its Subsidiaries does not file Tax Returns that PopReach or any of its Subsidiaries is or may be required to file Tax Returns in or subject to Tax by that jurisdiction.
- (e) PopReach and each of its Subsidiaries has deducted, withheld or collected all material amounts required by Law to be deducted, withheld or collected by it on account of Taxes and has remitted all such amounts to the appropriate Governmental Authority when required by Law to do so. PopReach and each of its Subsidiaries have remitted all Taxes payable by it in respect of its employees to the appropriate Governmental Authority within the time required under Applicable Law.
- (f) Neither PopReach nor any of its Subsidiaries has waived or extended any statute of limitations with respect to the filing of any Tax Return or the time in which any Tax may be assessed, reassessed or collected by any Governmental Authority, and no request for any such waiver or extension is currently pending.
- (g) For the purposes of the Tax Act, any applicable Tax treaty, and any other relevant Tax purposes:
 - (i) PopReach is a "taxable Canadian corporation" and is resident in Canada and is not resident in any other country;

- (ii) each of PopReach's Subsidiaries is resident in the jurisdiction (or country of which such jurisdiction is a political subdivision) in which it was formed, and is not resident in any other country; and
 - (iii) neither PopReach nor any of its Subsidiaries (1) has a permanent establishment, (2) is engaged in trade or business or (3) engaged in any transaction subject to Tax, in each case, in a jurisdiction other than its country of organization.
- (h) There are no Encumbrances for Taxes upon any properties or assets of PopReach or any of its Subsidiaries (other than Encumbrances (i) relating to Taxes not yet due and payable and for which adequate reserves have been recorded on the most recent balance sheet included the most recently published consolidated financial statements of PopReach; and (ii) which would not reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect with respect to PopReach and its Subsidiaries).
- (i) PopReach and each of its Subsidiaries has not, and has never been deemed to have for purposes of the Tax Act or any other tax Law, entered into any transactions or arrangements with persons with whom they do not deal at arm's length (within the meaning of the Tax Act) other than for consideration equal to fair market value. For all transactions between PopReach or any of its Subsidiaries, on the one hand, and any non-resident Person with whom PopReach or any of its Subsidiaries was not dealing at arm's length for the purposes of the Tax Act, on the other hand, PopReach or its Subsidiary, as the case may be, has made or obtained records or documents that satisfy the requirements of paragraphs 247(4)(a) to (c) of the Tax Act and corresponding provisions of any applicable relevant jurisdiction. PopReach and each of its Subsidiaries has complied in all respects with all applicable Tax Laws with respect to transfer pricing, including all requirements relating to contemporaneous documentation.
- (j) There are no circumstances existing which could result in the application of Section 17, subsection 18(4), Section 78, Section 79, or sections 80 to 80.04 of the Tax Act (or any equivalent provision of the taxation legislation of any province or any other jurisdiction) to PopReach or any of its Subsidiaries.
- (k) None of PopReach or any of its Subsidiaries has received any COVID-19 Subsidy amounts to which it was not entitled. None of PopReach or any of its Subsidiaries has deferred any payroll tax obligations as permitted under applicable COVID-19 related measures enacted, promulgated or offered as an administrative relief by a Governmental Authority.
- (l) To the knowledge of PopReach, other than customary audit and review in the ordinary course in respect of PopReach's Ontario Interactive Digital Media Tax Credit and similar tax credit filings, no examination of any Tax Return of PopReach is currently in progress and there are no issues or disputes outstanding with any Governmental Authority respecting any Taxes that have been paid, or may be

payable, by PopReach, except where such examinations, issues or disputes would not have a Material Adverse Effect with respect to PopReach and its Subsidiaries.

4.32 No Material Interest

None of the directors or officers of PopReach or any of its Subsidiaries or any associate or Affiliate of any of the foregoing has any material interest, direct or indirect, in any material transaction or any proposed material transaction with PopReach that materially affects, is material to or will materially affect PopReach or its Subsidiaries, other than as disclosed in the PopReach Circular.

4.33 Brokers

Neither PopReach nor any of its Subsidiaries has entered into any agreement, understanding or other commitment or arrangement which could entitle any Person to any valid claim against PopReach, Subco or Federated for a broker's commission, finder's fee or any like payment or obligation in respect of the Transaction or any other matters contemplated hereby.

4.34 U.S. Securities Laws Matters

- (a) PopReach is a "foreign issuer" within the meaning of Regulation S and reasonably believes that there is no Substantial U.S. Market Interest in the PopReach Shares.
- (b) PopReach is not now, and is not registered, or required to be registered, as an "investment company" as defined in the 1940 Act.
- (c) Except with respect to offers and sales to "accredited investors" (as defined in Regulation D) who are in the United States in reliance upon the exemption from the registration requirements of the 1933 Act provided by Rule 506 of Regulation D or Section 4(a)(2) thereunder, neither PopReach nor any of its Affiliates, nor any Person acting on its or their behalf, has made or will make:
 - (i) any offer to sell, or any solicitation of an offer to buy, any PopReach Shares to any Person in the United States; or
 - (ii) any sale of PopReach Shares unless, at the time the buy order was or will have been originated, (I) the purchaser is outside the United States or (II) PopReach, its Affiliates, and any person acting on their behalf reasonably believe that the purchaser is outside the United States.
- (d) None of PopReach, any of its Affiliates nor any Person acting on its or their behalf has made or will make any Directed Selling Efforts in the United States with respect to the PopReach Shares, or has engaged or will engage in any form of general solicitation or general advertising (as those terms are used in Regulation D), including advertisements, articles, notices or other communications published in any newspaper, magazine, or similar media or broadcast over radio or television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising in connection with the offer or exchange of the PopReach Shares in the United States.

4.35 Non-Arm's Length Agreements

Except for Contracts made solely among PopReach and its Subsidiaries or as disclosed in the PopReach Filings, PopReach and its Subsidiaries do not have any Non-Arm's Length Agreements and no non-scheduled payments (including payments in connection with the termination of a Non-Arm's Length Agreement) have been made under any Non-Arm's Length Agreement since June 30, 2020.

4.36 No Misrepresentation

As of the date hereof, none of the information provided by PopReach to Federated in the course of its due diligence efforts contain a Misrepresentation.

4.37 Anti-Terrorism Laws

Neither PopReach nor any of its Subsidiaries has been or is currently subject to any economic or financial sanctions or trade embargoes imposed, authorized, administered or enforced by any Governmental Authority (including the Government of Canada, the Office of Foreign Assets Control of the U.S. Treasury Department (including the designation as a "specially designated national or blocked person" thereunder), or any other applicable sanctions authority) or other similar Laws (collectively, "**Sanctions**"). To the knowledge of PopReach, neither PopReach nor any of its Subsidiaries has received any written notice alleging that PopReach, any of its Subsidiaries or any of their respective Representatives has violated any Sanctions, and, to the knowledge of PopReach, no condition or circumstances exist (including any ongoing action, suit, proceeding or hearing) that would form the basis of any such allegations.

4.38 Corrupt Practices Legislation

Neither PopReach nor any of its Subsidiaries have, directly or indirectly, taken any action which is or would be otherwise inconsistent with or prohibited by the *Corruption of Foreign Public Officials Act* (Canada), the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) or the anti-bribery corruption and corruption provisions of the *Criminal Code* (Canada) or any applicable Law of similar effect (collectively, the "**Corrupt Practices Legislation**"). Neither PopReach nor any of its Subsidiaries has received any notice alleging that PopReach or any of its Subsidiaries or any of their respective Representatives has violated any Corrupt Practices Legislation, and, to the knowledge of PopReach, no condition or circumstances exist that would form the basis of any such allegations.

4.39 Money Laundering

The operations of PopReach and each of its Subsidiaries have been conducted in compliance in all material respects with applicable financial recordkeeping and reporting requirements and money laundering or similar Laws (collectively, "**Money Laundering Laws**"). Neither PopReach nor any of its Subsidiaries has received any notice alleging that PopReach, any of its Subsidiaries or any of their respective Representatives has violated any Money Laundering Laws, and, to the knowledge of PopReach, no condition or circumstances exist (including any ongoing Actions, suits, proceedings or hearings) that would form the basis of any such allegations.

4.40 Privacy and Anti-Spam

Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect with respect to PopReach and its Subsidiaries:

- (a) to the knowledge of PopReach, PopReach and each of its Subsidiaries have complied with all applicable Privacy Laws, and there are no material Actions, suits, proceedings or hearings in progress or pending or, to the knowledge of PopReach, threatened against or affecting PopReach or any of its Subsidiaries with respect to any of the foregoing;
- (b) PopReach and each of its Subsidiaries have taken commercially reasonable measures (including implementing and monitoring organizational, technical and physical security) to ensure that confidential information of PopReach and its Subsidiaries and PopReach data are protected against unauthorized access, use, modification, disclosure or other misuse, and, to the knowledge of PopReach, no material unauthorized access to or unauthorized use, modification, disclosure or other material misuse of such confidential information or PopReach data has occurred; and
- (c) PopReach and each of its Subsidiaries have conducted its business in compliance with CASL, and PopReach and each of its Subsidiaries retain records sufficient to demonstrate such compliance, including evidence of express consent or circumstances giving rise to implied consent or any exemption available under CASL.

4.41 Material Information

To the knowledge of PopReach, PopReach has not withheld from Federated any material information or documents concerning PopReach, its Subsidiaries or their respective Assets or liabilities during the course of Federated's review of PopReach. No representation or warranty contained herein and no statement contained in any schedule or other disclosure document provided or to be provided to Federated by PopReach pursuant hereto contains or will contain a Misrepresentation.

ARTICLE V REPRESENTATIONS AND WARRANTIES OF FEDERATED

Except as set forth in the correspondingly number section of the Federated Disclosure Schedules, Federated hereby represents and warrants to PopReach and Subco as of the date hereof, and acknowledges that PopReach and Subco are relying upon each of such representations and warranties in connection with the transactions contemplated hereof, that:

5.1 Organization and Qualification

Federated is a corporation duly incorporated and validly existing under the OBCA and has the corporate power and authority to own its Assets and conduct its business as now owned and conducted and no steps or proceedings have been taken by any Person, voluntary or otherwise, requiring or authorizing the dissolution or winding up of Federated. Federated is duly qualified,

licensed or registered to conduct business and is in good standing in each jurisdiction in which its Assets are located or it conducts business, and has all necessary governmental licenses, Authorizations, permits, consents and approvals required to own, lease and operate its properties and Assets and to carry on its business as now conducted, except for those licenses, Authorizations, permits, consents and approvals the absence of which do not have and would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect with respect to Federated and its Subsidiaries.

5.2 Corporate Authorization

Subject to the Federated Shareholder Approval, the execution, delivery and performance by Federated of this Agreement and the consummation by Federated of the Transaction are within Federated's corporate powers, have been duly authorized by all necessary corporate action on the part of Federated and no other corporate proceedings on the part of Federated are necessary to authorize this Agreement or the Transaction.

5.3 No Conflict

The execution, delivery and performance by Federated of this Agreement and the consummation of the Transaction, all in accordance with the terms and conditions hereof, do not and shall not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition), violate, conflict with or result in a breach of, or permit the termination, cancellation, acceleration or other change of any right or obligation under:

- (a) any of the articles, by-laws or other constating documents of Federated or its Subsidiaries;
- (b) subject to the receipt of the consents set forth in Section 5.3(b) of the Federated Disclosure Schedules, any Material Contract of Federated;
- (c) except for compliance with applicable Securities Laws, any statute, rule, regulation or Law applicable to Federated or its Subsidiaries; and
- (d) assuming compliance with the matters referred to in clauses (b) and (c) above, any provision of any Applicable Law or any license, approval, consent or Authorization issued by a Governmental Authority held by Federated and its Subsidiaries,

with such exceptions as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect with respect to Federated and its Subsidiaries.

5.4 Execution and Binding Obligation

This Agreement has been duly executed and delivered by Federated, and constitutes a legal, valid and binding agreement enforceable against it in accordance with its terms, except as such enforceability may be limited by (a) applicable bankruptcy, insolvency, reorganization or other Laws of general application relating to or affecting the enforcement of creditors' rights generally, and (b) the discretion that a court may exercise in the granting of extraordinary remedies such as specific performance and injunction.

5.5 Third Party Consents

Except as disclosed in Section 5.5 of the Federated Disclosure Schedules, or contemplated in this Agreement, no consent, waiver or approval from other parties to the Material Contracts of Federated is (a) required to be obtained by Federated in connection with the execution, delivery and performance by Federated of this Agreement or the consummation of the Transaction, or (b) required in order to maintain the Material Contracts of Federated in full force and effect immediately upon the consummation of the Transaction, except as would not be reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect with respect to Federated and its Subsidiaries.

5.6 Governmental Approvals

Except as disclosed in Section 5.6 of the Federated Disclosure Schedules, the execution, delivery and performance by Federated of this Agreement and the consummation by Federated of the Transaction require no consent, waiver or approval or any action by or in respect of, or filing with, or notification to, any Governmental Authority by Federated other than: (a) the approvals of the TSXV as set forth in this Agreement; and (b) any consents, waivers, approvals, actions or filings or notifications, the absence of which would not have, individually or in the aggregate, a Material Adverse Effect with respect to Federated and its Subsidiaries.

5.7 Authorized and Issued Capital

- (a) The authorized capital of Federated consists of an unlimited number of Federated Shares. Section 5.7(a) of the Federated Disclosure Schedules sets forth, as at the date of this Agreement, the number of issued and outstanding Federated Shares and all outstanding options, warrants, convertible debt securities and all other securities or rights convertible, exercisable or exchangeable for Federated Shares upon exercise thereof.
- (b) Except as otherwise disclosed in Section 5.7(b) of the Federated Disclosure Schedules, there are no bonds, debentures or other evidences of indebtedness of Federated and its Subsidiaries outstanding having the right to vote (or that are convertible or exercisable for securities having the right to vote) with Federated Shareholders on any matter.
- (c) Except as otherwise disclosed in Section 5.7(c) of the Federated Disclosure Schedules, there are no options, warrants, conversion privileges or other rights, agreements, arrangements or commitments (pre-emptive, contingent or otherwise) of any kind that obligate Federated to issue or sell any shares of capital stock or other securities of Federated or any of its Subsidiaries or any securities or obligations convertible or exchangeable into or exercisable for, or giving any Person a right to subscribe for or acquire, any securities of Federated or any of its Subsidiaries.
- (d) All outstanding Federated Shares have been duly authorized and validly issued as fully paid and non- assessable, and all Federated Shares issuable upon the exercise of rights under all outstanding options, warrants, convertible debt securities and all other securities or rights convertible, exercisable or exchangeable for Federated

Shares in accordance with their respective terms, have been duly authorized and, upon issuance, shall be validly issued as fully paid and non-assessable.

- (e) All outstanding securities of Federated have been issued in material compliance with all Applicable Laws, including Securities Laws.
- (f) Section 5.7(f) of the Federated Disclosure Schedules sets forth, with respect to options, warrants, convertible debt securities and all other securities or rights convertible, exercisable or exchangeable for Federated Shares outstanding as of the date of this Agreement: (i) the number of Federated Shares issuable therefor; (ii) the exercise price payable therefor upon the exercise thereof; and (iii) the date on which such security was granted or issued and the date on which such security expires. All grants of Federated's outstanding options, warrants, convertible debt securities and all other securities or rights convertible, exercisable or exchangeable for Federated Shares were validly issued and properly approved by the Federated Board (or a duly authorized committee or subcommittee thereof) in compliance in all material respects with all and recorded on the Federated Financial Statements in accordance with IFRS.

5.8 Shareholders' and Similar Agreements

Except as otherwise disclosed in Section 5.8 of the Federated Disclosure Schedules, neither Federated nor any of its Subsidiaries is subject to any unanimous shareholders agreement and is not a party to any shareholder, pooling, voting, voting trust or other similar arrangement or agreement relating to the ownership or voting of any of the securities of Federated or of any of its Subsidiaries or pursuant to which any Person may have any right or claim in connection with any existing or past equity interest in Federated or in any of its Subsidiaries and Federated has not adopted a shareholders' rights plan or any similar plan or agreement.

5.9 Subsidiaries

- (a) Section 5.9(a) of the Federated Disclosure Schedules sets forth a complete and accurate list as of the date of this Agreement of all Persons in which Federated owns or controls, directly or indirectly, any material equity or proprietary interest indicating (i) the jurisdiction of incorporation, organization or formation of such Person, (ii) its name and (iii) the percentage owned directly or indirectly by Federated and the percentage owned, and the identity of, each other registered holder of capital stock or other equity interests if other than Federated and its Subsidiaries.
- (b) Each Subsidiary of Federated: (i) is a corporation, trust or partnership, as the case may be, duly organized and validly existing under the Laws of the jurisdiction of its incorporation, organization or formation, as the case may be, and no steps or proceedings have been taken by any Person, voluntary or otherwise, requiring or authorizing the dissolution or winding up of the Subsidiary, (ii) has all requisite corporate, trust or partnership power and authority, as the case may be, to own, lease and operate its properties and Assets and to conduct its business as now owned and conducted in each jurisdiction in which the conduct of its business or the ownership, leasing or operation of its property and Assets requires such qualification, and (iii) is duly qualified, licensed or registered to conduct business

and is in good standing in each jurisdiction in which its Assets are located or it conducts business.

- (c) Federated owns, directly or indirectly, all of the issued and outstanding shares or other equity interests of each of the Subsidiaries, free and clear of any Encumbrances, except for Permitted Encumbrances, and all such shares and other equity interests so owned directly or indirectly by Federated have been duly authorized and validly issued, as fully paid and non-assessable and have been issued in material compliance with all Applicable Laws and no Person has any agreement, option, right or privilege (whether pre-emptive or contractual) capable of becoming an agreement, for the purchase from Federated or any of the Subsidiaries of Federated of any interest in any of the shares in the capital of the Subsidiaries of Federated. Except as disclosed in Section 5.9(c) of the Federated Disclosure Schedules, neither Federated nor any of its Subsidiaries, beneficially or of record, owns any equity interest of any kind in any other Person.

5.10 Internal Accounting Controls

Federated and its Subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that (a) transactions are executed in accordance with management's general or specific authorization and (b) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS and to maintain accountability for Assets. To the knowledge of Federated, as of the date of this Agreement, there is no fraud that involves management or any other employees who have a significant role in the internal control over financial reporting of Federated.

5.11 Security Ownership

None of Federated or any of its Subsidiaries, any of their Affiliates, any such Person's Representatives or any other Person acting jointly or in concert with any of them, beneficially owns or controls (directly or indirectly, economically, or through derivatives or otherwise) any securities of PopReach or any of its Affiliates.

5.12 Financial Statements

The Federated Financial Statements have been prepared in accordance with IFRS (subject to year-end adjustments, where applicable) applied on a basis consistent with prior periods and present fairly, in all material respects, the consolidated financial position of Federated and its Subsidiaries (as applicable) as of the respective dates thereof and for the respective periods covered thereby (except as may be otherwise indicated in the Federated Financial Statements, and the notes thereto or the related report of Federated's auditors).

5.13 Absence of Certain Changes or Events

Except as set forth in Section 5.13 of the Federated Disclosure Schedules, since December 31, 2020, and other than in the ordinary course, there has not been, with respect to Federated and its Subsidiaries, any:

- (a) event, occurrence or development that has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect with respect to Federated and its Subsidiaries;
- (b) amendment of the articles, by-laws, unanimous shareholder agreement or other constating documents of Federated or its Subsidiaries;
- (c) split, consolidation or reclassification of any shares in Federated or its Subsidiaries;
- (d) issuance, sale or other disposition of any shares in Federated or its Subsidiaries, or grant of any options, warrants or other rights to purchase or obtain (including upon conversion, exchange or exercise) any shares in Federated or its Subsidiaries;
- (e) declaration or payment of any dividends or distributions on or in respect of any shares in Federated or its Subsidiaries or redemption, retraction, purchase or acquisition of such shares;
- (f) reduction in the stated capital in respect of the shares of any of Federated or its Subsidiaries;
- (g) material change in any method of accounting or accounting practice of Federated or its Subsidiaries, except as required by IFRS or as disclosed in the notes to the Federated Financial Statements;
- (h) entry into any Contract that would constitute a Material Contract;
- (i) incurrence, assumption or guarantee of any indebtedness for borrowed money except unsecured current obligations and liabilities incurred in the ordinary course;
- (j) transfer, assignment, sale or other disposition of any of the Assets shown or reflected in the Federated's Financial Statement balance sheet or cancellation of any debts or entitlements;
- (k) transfer, assignment or grant of any licence or sublicense of any material rights under or with respect to any Intellectual Property;
- (l) material damage, destruction or loss (whether or not covered by insurance) to any of its Assets;
- (m) capital investment in, or any loan to, any other Person;
- (n) acceleration, termination, material modification to or cancellation of any Material Contract to which Federated or any of its Subsidiaries is a party or by which it is bound;
- (o) capital expenditures in excess of \$250,000;
- (p) imposition of any Encumbrance upon any of the shares or Assets, tangible or intangible, of Federated or its Subsidiaries;
- (q) (i) grant of any bonuses, whether monetary or otherwise, or increase in any wages, salary, severance, pension or other compensation or benefits in respect of its current or former employees, officers, directors, independent contractors or consultants, other than as provided for in any written agreements or required by Applicable Law; (ii) change in the terms of employment for any employee or any termination of any employees for which the aggregate costs and expenses exceed US\$100,000; or (iii)

- action to accelerate the vesting or payment of any compensation or benefit for any current or former employee, officer, director, independent contractor or consultant;
- (r) hiring or promoting any individual as or to (as the case may be) an officer or hiring or promoting any employee below officer except to fill a vacancy in the ordinary course;
 - (s) adoption, modification or termination of any: (i) employment, severance, retention or other agreement with any current or former employee, officer, director, independent contractor or consultant; (ii) Federated Benefit Plan; or (iii) collective agreement, in each case, whether written or oral;
 - (t) any loan to (or forgiveness of any loan to), or entry into any other transaction with, any of its Affiliates;
 - (u) entry into a new line of business or abandonment or discontinuance of existing lines of business;
 - (v) purchase, lease or other acquisition of the right to own, use or lease any Assets for an amount in excess of US\$250,000, individually (in the case of a lease, per annum) or US\$250,000 in the aggregate (in the case of a lease, for the entire term of the lease, not including any option term), except for purchases of inventory or supplies in the ordinary course;
 - (w) acquisition by amalgamation or arrangement with, or by purchase of a substantial portion of the Assets or shares of, or by any other manner, any business or any Person or any division thereof;
 - (x) action by Federated or its Subsidiaries to make, change or rescind any Tax election, settle or compromise any material Tax claim, assessment, reassessment or liability, file any material amended Tax Return, enter into any material agreement with a Governmental Authority with respect to Taxes, surrender any right to claim a material Tax abatement, reduction, deduction, exemption, credit or refund, consent to the extension or waiver of the limitation period applicable to any material Tax matter, amend or materially change any of its methods of reporting income, deductions or accounting for income Tax purposes except as may be required by Law, or take any position on any Tax Return, take any action, omit to take any action or enter into any other transaction that would have the effect of increasing the Tax liability or reducing any Tax asset or attribute of Federated or its Subsidiaries; or
 - (y) any Contract to do any of the foregoing, or any action or omission that would result in any of the foregoing.

5.14 No Undisclosed Liabilities

Neither Federated nor its Subsidiaries has any material outstanding liabilities of the type required to be reflected as liabilities on a balance sheet prepared in accordance with IFRS, or obligations of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, other than (a) liabilities or obligations disclosed in the Federated Financial Statements, (b) liabilities or obligations incurred in connection with the Transaction, (c) liabilities or obligations incurred in the ordinary course since December 31, 2020 and (d) liabilities or

obligations that would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect with respect to Federated and its Subsidiaries.

5.15 Books and Records

All Books and Records of Federated and its Subsidiaries have been maintained in accordance with sound and customary business practices.

5.16 Litigation

There is no Action now pending or, to the knowledge of Federated, threatened against Federated or its Subsidiaries, which (a) if adversely determined, would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect with respect to Federated and its Subsidiaries, or (b) would restrain, enjoin or otherwise prohibit or materially delay or otherwise materially and adversely affect the consummation of the Transaction.

5.17 Material Contracts

- (a) Federated and its Subsidiaries have in all material respects performed the obligations required to be performed by it to date under its Material Contracts;
- (b) Federated and its Subsidiaries are not in material breach of or default under any of its Material Contracts;
- (c) each Material Contract of Federated is a legal, valid and binding obligation of Federated or its Subsidiaries, as applicable, is in good standing in all material respects, is in full force and effect, and is enforceable by Federated and its Subsidiaries in accordance with its terms, except as such enforceability may be limited by (x) applicable bankruptcy, insolvency, reorganization or other Laws of general application relating to or affecting the enforcement of creditors' rights generally, and (y) the discretion that a court may exercise in the granting of extraordinary remedies such as specific performance or injunction, and
- (d) Federated and its Subsidiaries have not received written, or to the knowledge of Federated, other notice of, any alleged breach of or alleged default under or dispute in connection with any Material Contract of Federated and its Subsidiaries or of any intention of any party to any Material Contract of Federated and its Subsidiaries to cancel, terminate or otherwise modify or not renew its relationship with Federated and its Subsidiaries,

with such exceptions as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect with respect to Federated and its Subsidiaries.

5.18 Title to Assets

- (a) Federated and its Subsidiaries have a valid leasehold interest in the leased real property set out in Section 5.18(a) of the Federated Disclosure Schedules (the "**Federated Leased Properties**"), free and clear of any Encumbrances, except for Permitted Encumbrances.

- (b) Federated and its Subsidiaries have good and valid title to, or a valid and enforceable leasehold interest in, as applicable, all material personal property owned or leased by it, free and clear of any Encumbrances, except for Permitted Encumbrances.

5.19 Real Property

Federated occupies the Federated Leased Properties and has the exclusive right to occupy and use the Federated Leased Properties as tenant and each of the leases pursuant to which Federated or its Subsidiaries occupies the Federated Leased Properties is in good standing and in full force and effect under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made or proposed to be made of such property and buildings by Federated or its Subsidiaries.

5.20 No Insolvency

No proceedings have been taken, are pending or authorized by Federated or any of its Subsidiaries or by any other Person in respect of the bankruptcy, insolvency, liquidation or winding up of Federated or any of its Subsidiaries.

5.21 Compliance with Law

Each of Federated and its Subsidiaries, and, to the knowledge of Federated, their respective directors and officers:

- (a) is and at all times has been in compliance with all Applicable Laws in all material respects;
- (b) has not received any correspondence or notice from any Governmental Authority alleging or asserting material non-compliance with any Applicable Laws or any Authorizations;
- (c) has not received notice of any pending or threatened claim, suit, proceeding, charge, hearing, enforcement, audit, investigation, arbitration or other Action from any Governmental Authority or third party alleging that any operation or activity of the Federated, its Subsidiaries or any of their respective directors, or officers is in violation of any Applicable Laws or Authorizations that, if finally determined adversely to Federated or its Subsidiaries would be expected to result in a Material Adverse Effect with respect to Federated and its Subsidiaries, and has no knowledge or reason to believe that any such Governmental Authority or third party is considering any such claim, suit, proceeding, charge, hearing, enforcement, audit, investigation, arbitration or other Action;
- (d) has not received notice that any Governmental Authority has taken, is taking or intends to take action to limit, suspend, modify or revoke any material Authorizations and has no knowledge or reason to believe that any such Governmental Authority is considering such action;
- (e) has, or has had on its behalf, filed, declared, obtained, maintained or submitted all reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments as required by any Applicable Laws or Authorizations

and that all such reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments were materially complete and correct on the date filed (or were corrected or supplemented by a subsequent submission); and

- (f) is not subject to any judgment, order, writ, injunction, decree or Award of any Governmental Authority, which, either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect on Federated and its Subsidiaries.

5.22 Restrictions on Business Activities

There is no agreement, judgment, injunction, order or decree binding upon Federated or any of its Subsidiaries that has or would reasonably be expected to have the effect of prohibiting, restricting or materially impairing any business practice of Federated or any of its Subsidiaries or the conduct of business by Federated or any of its Subsidiaries as currently conducted other than such agreements, judgments, injunctions, orders or decrees which would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect with respect to Federated and its Subsidiaries.

5.23 Employees

- (a) Section 5.23(a) of the Federated Disclosure Schedules sets out a complete and accurate list of the names of all individuals who are full-time or part-time employees or individuals engaged on contract to provide services or sales or other agents or representatives of Federated and its Subsidiaries (“**Federated Employees**”) and the position, length of service, location of employment and compensation and benefits of each Employee. Such list includes all Federated Employees as at the date hereof including any on lay-off or leave of absence, who have been absent continually from work for a period in excess of one month.
- (b) Federated is in material compliance with all Laws respecting employment and employment practices, including but not limited to, terms and conditions of employment, pay equity and wages and has not and is not engaged in any unfair labour practice.
- (c) Section 5.23(c) of the Federated Disclosure Schedules sets out a complete and accurate list of all independent contractors or consulting Contracts. Each independent contractor of Federated or its Subsidiaries has been properly classified as an independent contractor and neither Federated nor any of its Subsidiaries has received any notice from any Governmental Authority disputing such classification.
- (d) Except as set out in Section 5.23(d) of the Federated Disclosure Schedules, neither Federated nor any of its Subsidiaries has entered into any written or oral agreement or understanding providing for severance, termination or other similar payments to any director, officer, employee or consultant in connection with the termination of their position or their employment as a result of the transaction contemplated by this Agreement.

- (e) As of the date of this Agreement, none of Federated or any of its Subsidiaries is subject to any claim for wrongful dismissal, constructive dismissal or any other tort claim, actual or, to the knowledge of Federated, threatened, or any litigation actual, or to the knowledge of Federated, threatened, relating to employment or termination of employment of employees or independent contractors.

5.24 Employee Plans

- (a) In each case in all material respects, all of Federated Benefit Plans are and have been established, registered, qualified and administered in accordance with all Applicable Laws, and in accordance with their terms, the terms of the material documents that support such Federated Benefit Plans and the terms of agreements between Federated or its Subsidiaries and their employees (present and former) who are members of, or beneficiaries under, Federated Benefit Plans.
- (b) In each case in all material respects, (i) all current obligations of Federated regarding Federated Benefit Plans have been satisfied, and (ii) all contributions, premiums or Taxes required to be made or paid by Federated by Applicable Laws or under the terms of each of the Federated Benefit Plans have been made in a timely fashion in accordance with Applicable Laws and the terms of such Federated Benefit Plans.
- (c) No Federated Benefit Plan is subject to any Action initiated by any Governmental Authority, or by any other party (other than routine claims for benefits) which, if adversely determined, would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect with respect to Federated and its Subsidiaries.
- (d) There are no material unfunded liabilities in respect of any Federated Benefit Plan, including going concern unfunded liabilities, solvency deficiencies or wind-up deficiencies where applicable.
- (e) No Federated Benefit Plan is a “**registered pension plan**” as such term is defined in the Tax Act.
- (f) The execution, delivery and performance of this Agreement and the consummation of the Transaction shall not (i) result in any material payment (including bonus, golden parachute, retirement, severance, unemployment compensation, or other benefit or enhanced benefit) becoming due or payable to any of the Federated Employees, (ii) materially increase the compensation or benefits otherwise payable to any Employee, or (iii) result in the acceleration of the time of payment or vesting of any material benefits or entitlement otherwise available pursuant to any Federated Benefit Plan.

5.25 Labour Matters

- (a) Neither Federated nor any of its Subsidiaries is party to any collective bargaining agreements, enterprise agreements or analogous agreements. To the knowledge of Federated, (i) neither Federated nor any of its Subsidiaries is subject to any application for certification or threatened or apparent union-organizing campaigns for employees not covered under a collective bargaining agreement, enterprise agreement or analogous agreement, (ii) there are no current or threatened strikes or

lockouts affecting Federated or its Subsidiaries or any complaint of unfair labour practice (other than routine individual grievances), (iii) there are no successor or related employer applications; and (iv) there are no employee associations, retiree associations, voluntary recognized or certified unions or analogous organizations authorized to represent any of the Federated Employees.

- (b) No material labour dispute with current and former Federated Employees or consultants of Federated or its Subsidiaries exists, or, to the knowledge of Federated, is imminent and Federated and its Subsidiaries are not aware of any existing, threatened or imminent labour disturbance by the employees of any of the principal suppliers, manufacturers or contractors of Federated or its Subsidiaries that would have a Material Adverse Effect with respect to Federated and its Subsidiaries.

5.26 Insurance

Federated and its Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which it is engaged; and Federated has no reason to believe that it will not be able to renew the existing insurance coverage of Federated and its Subsidiaries as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Material Adverse Effect with respect to Federated and its Subsidiaries.

5.27 Intellectual Property

Federated or its Subsidiaries owns or has the right to use all of the Intellectual Property necessary for the Business as of the date hereof. All registrations (or applications for registrations), if any, and filings that Federated has considered necessary to preserve the rights of Federated in the Intellectual Property have been made and are in good standing. Neither Federated nor its Subsidiaries have any pending Action or proceeding, nor, to the knowledge of Federated, any threatened Action or proceeding, against any person with respect to the use of the Intellectual Property, and there are no circumstances which cast reasonable doubt on the validity or enforceability of the Intellectual Property necessary for the Business. The conduct of the Business does not, to the knowledge of Federated, infringe upon the Intellectual Property rights of any other Person. Federated has no pending Action or proceeding, nor, to the knowledge of Federated, is there any threatened Action or proceeding against it with respect to Federated's or any of its Subsidiaries' use of the Intellectual Property.

5.28 Taxes

- (a) Federated and each of its Subsidiaries has duly and timely filed all material Tax Returns required by Law to be filed by them prior to the date hereof and all such Tax Returns are true, complete and correct in all material respects.
- (b) Federated and each of its Subsidiaries has paid as required by Law on a timely basis all material Taxes which are due and payable (including instalments on account of Taxes for the current year required by applicable Law), whether or not assessed by the appropriate Governmental Authority, all assessments and reassessments, and all other material Taxes due and payable by them on or before the date hereof, other

than those which are being or have been contested in good faith and in respect of which reserves have been provided in the most recently published consolidated financial statements of Federated. Federated and its Subsidiaries have provided adequate accruals in accordance with applicable accounting standards in its Books and Records and in the most recently published consolidated financial statements of Federated for any material Taxes of Federated and each of its Subsidiaries for the period covered by such financial statements that have not been paid whether or not shown as being due on any Tax Returns. Since such publication date, no material liability in respect of Taxes not reflected in such statements or otherwise provided for has been assessed, proposed to be assessed, reassessed, incurred or accrued, other than in the ordinary course.

- (c) Other than customary audit and review in the ordinary course in respect of Federated or its Subsidiaries' Scientific Research and Experimental Development Tax Credits and similar tax credit filings, no material claims, audits, deficiencies, reassessments, litigation, proposed adjustments or other matters of controversy are ongoing or have been asserted in writing with respect to Taxes of Federated or any of its Subsidiaries, and neither Federated nor any of its Subsidiaries is a party to any material Action or proceeding for assessment or collection of Taxes and no such event has been asserted or, to the knowledge of Federated, threatened in writing against Federated or any of its Subsidiaries or any of their respective Assets.
- (d) No written claim to Federated or any of its Subsidiaries has been made by any Governmental Authority in a jurisdiction where Federated or any of its Subsidiaries does not file Tax Returns that Federated or any of its Subsidiaries is or may be required to file Tax Returns in or subject to Tax by that jurisdiction.
- (e) Federated and each of its Subsidiaries has deducted, withheld or collected all material amounts required by Law to be deducted, withheld or collected by it on account of Taxes and has remitted all such amounts to the appropriate Governmental Authority when required by Law to do so. Federated and each of its Subsidiaries have remitted all Taxes payable by it in respect of its employees to the appropriate Governmental Authority within the time required under Applicable Law.
- (f) Neither Federated nor any of its Subsidiaries has waived or extended any statute of limitations with respect to the filing of any Tax Return or the time in which any Tax may be assessed, reassessed or collected by any Governmental Authority, and not request for any such waiver or extension is currently pending.
- (g) For the purposes of the Tax Act, any applicable Tax treaty, and any other relevant Tax purposes:
 - (i) Federated is a "taxable Canadian corporation" and is resident in Canada and is not resident in any other country;
 - (ii) each of Federated's Subsidiaries is resident in the jurisdiction (or country of which such jurisdiction is a political subdivision) in which it was formed, and is not resident in any other country; and
 - (iii) Except as otherwise disclosed in Section 5.28(g)(iii) of the Federated Disclosure Schedules, neither Federated nor any of its Subsidiaries (1) has

a permanent establishment, (2) is engaged in trade or business or (3) engaged in any transaction subject to Tax, in each case, in a jurisdiction other than its country of organization.

- (h) There are no Encumbrances for Taxes upon any properties or assets of Federated or any of its Subsidiaries (other than Encumbrances (i) relating to Taxes not yet due and payable and for which adequate reserves have been recorded on the most recent balance sheet included the most recently published consolidated financial statements of Federated; and (ii) which would not reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect with respect to Federated and its Subsidiaries).
- (i) Except as otherwise disclosed in Section 5.28(i) of the Federated Disclosure Schedules, Federated and each of its Subsidiaries has not, and has never been deemed to have for purposes of the Tax Act or any other tax Law, entered into any transactions or arrangements with persons with whom they do not deal at arm's length (within the meaning of the Tax Act) other than for consideration equal to fair market value. For all transactions between Federated or any of its Subsidiaries, on the one hand, and any non-resident Person with whom Federated or any of its Subsidiaries was not dealing at arm's length for the purposes of the Tax Act, on the other hand, Federated or its Subsidiary, as the case may be, has made or obtained records or documents that satisfy the requirements of paragraphs 247(4)(a) to (c) of the Tax Act and corresponding provisions of any applicable relevant jurisdiction. Federated and each of its Subsidiaries has complied in all respects with all applicable Tax Laws with respect to transfer pricing, including all requirements relating to contemporaneous documentation.
- (j) There are no circumstances existing which could result in the application of Section 17, subsection 18(4), Section 78, Section 79, or sections 80 to 80.04 of the Tax Act (or any equivalent provision of the taxation legislation of any province or any other jurisdiction) to Federated or any of its Subsidiaries.
- (k) None of Federated or any of its Subsidiaries has received any COVID-19 Subsidy amounts to which it was not entitled. None of Federated or any of its Subsidiaries has deferred any payroll tax obligations as permitted under applicable COVID-19 related measures enacted, promulgated or offered as an administrative relief by a Governmental Authority.
- (l) To the knowledge of Federated, other than customary audit and review in the ordinary course in respect of Federated or its Subsidiaries' Scientific Research and Experimental Development Tax Credits and similar tax credit filings, no examination of any Tax Return of Federated or any of its Subsidiaries is currently in progress and there are no issues or disputes outstanding with any Governmental Authority respecting any Taxes that have been paid, or may be payable, by Federated or any of its Subsidiaries, except where such examinations, issues or disputes would not have a Material Adverse Effect with respect to Federated and its Subsidiaries.

5.29 No Material Transaction

Other than in connection with the Amalgamation or as disclosed in the PopReach Circular, neither Federated or any of its Subsidiaries is currently party to any agreement in respect of: (a) the purchase of any material property or Assets or any interest therein or the sale, transfer or other disposition of any material property or Assets or any interest therein currently owned, directly or indirectly, by Federated or its Subsidiaries whether by Asset sale, transfer of shares or otherwise; or (b) the change of control of Federated (whether by sale or transfer of shares or sale of all or substantially all of the property and Assets of Federated or otherwise).

5.30 No Material Interest

Except as otherwise disclosed in Section 5.30 of the Federated Disclosure Schedules, none of the directors or officers of Federated or its Subsidiaries or any associate or Affiliate of any of the foregoing has any material interest, direct or indirect, in any material transaction or any proposed material transaction with Federated or its Subsidiaries that materially affects, is material to or will materially affect Federated or its Subsidiaries, other than as disclosed in the PopReach Circular.

5.31 Brokers

Federated has not entered into any agreement, understanding or other commitment or arrangement which could entitle any Person to any valid claim against PopReach, Subco or Federated for a broker's commission, finder's fee or any like payment or obligation in respect of the Transaction or any other matters contemplated hereby.

5.32 U.S. Securities Laws Matters

- (a) Federated is a "foreign issuer" within the meaning of Regulation S and reasonably believes that there is no Substantial U.S. Market Interest in the Federated Shares.
- (b) Federated is not now, and is not registered, or required to be registered, as an "investment company" as defined in the 1940 Act.
- (c) Except with respect to offers and sales to "accredited investors" (as defined in Regulation D) who are in the United States in reliance upon the exemption from the registration requirements of the 1933 Act provided by Rule 506 of Regulation D or Section 4(a)(2) thereunder, neither Federated nor any of its Affiliates, nor any Person acting on its or their behalf, has made or will make:
 - (i) any offer to sell, or any solicitation of an offer to buy, any Federated Shares to any Person in the United States; or
 - (ii) any sale of Federated Shares unless, at the time the buy order was or will have been originated, (I) the purchaser is outside the United States or (II) Federated, its Affiliates, and any person acting on their behalf reasonably believe that the purchaser is outside the United States.
- (d) None of Federated, any of its Affiliates nor any Person acting on its or their behalf has made or will make any Directed Selling Efforts in the United States with respect to the Federated Shares, or has engaged or will engage in any form of general solicitation or general advertising (as those terms are used in Regulation D),

including advertisements, articles, notices or other communications published in any newspaper, magazine, or similar media or broadcast over radio or television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising in connection with the offer or exchange of the Federated Shares in the United States.

- (e) Any Federated Shareholder that is a U.S. Person (as defined in Regulation S) is, and will be at the Effective Time, an “accredited investor” as defined in Regulation D.

5.33 Non-Arm’s Length Agreements

Except for the Non-Arm’s Length Agreements of Federated set forth on Section 5.33 of the Federated Disclosure Schedules, Federated and its Subsidiaries does not have any Non-Arm’s Length Agreements and no non-scheduled payments (including payments in connection with the termination of a Non-Arm’s Length Agreement) have been made under any Non-Arm’s Length Agreement since December 31, 2020.

5.34 No Misrepresentation

As of the date hereof, none of the Federated Information contain a Misrepresentation.

5.35 Anti-Terrorism Laws

Neither Federated nor any of its Subsidiaries has been or is currently subject to any Sanctions. To the knowledge of Federated, neither Federated nor any of its Subsidiaries has received any written notice alleging that Federated, any of its Subsidiaries or any of their respective Representatives has violated any Sanctions, and, to the knowledge of Federated, no condition or circumstances exist (including any ongoing action, suit, proceeding or hearing) that would form the basis of any such allegations.

5.36 Corrupt Practices Legislation

Neither Federated nor any of its Subsidiaries have, directly or indirectly, taken any action which is or would be otherwise inconsistent with or prohibited by Corrupt Practices Legislation. Neither Federated nor any of its Subsidiaries has received any notice alleging that Federated or any of its Subsidiaries or any of their respective Representatives has violated any Corrupt Practices Legislation, and, to the knowledge of Federated, no condition or circumstances exist that would form the basis of any such allegations.

5.37 Money Laundering

The operations of Federated and each of its Subsidiaries have been conducted in compliance in all material respects with applicable Money Laundering Laws. Neither Federated nor any of its Subsidiaries has received any notice alleging that Federated, any of its Subsidiaries or any of their respective Representatives has violated any Money Laundering Laws, and, to the knowledge of Federated, no condition or circumstances exist (including any ongoing Actions, suits, proceedings or hearings) that would form the basis of any such allegations.

5.38 Privacy and Anti-Spam

Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect with respect to Federated and its Subsidiaries:

- (a) to the knowledge of Federated, Federated and each of its Subsidiaries have complied with all applicable Privacy Laws, and there are no material Actions, suits, proceedings or hearings in progress or pending or, to the knowledge of Federated, threatened against or affecting Federated or any of its Subsidiaries with respect to any of the foregoing;
- (b) Federated and each of its Subsidiaries have taken commercially reasonable measures (including implementing and monitoring organizational, technical and physical security) to ensure that confidential information of Federated and its Subsidiaries and Federated data are protected against unauthorized access, use, modification, disclosure or other misuse, and, to the knowledge of Federated, no material unauthorized access to or unauthorized use, modification, disclosure or other material misuse of such confidential information or Federated data has occurred; and
- (c) Federated and each of its Subsidiaries have conducted its business in compliance with CASL, and Federated and each of its Subsidiaries retain records sufficient to demonstrate such compliance, including evidence of express consent or circumstances giving rise to implied consent or any exemption available under CASL.

5.39 Material Information

To the knowledge of Federated, Federated has not withheld from PopReach any material information or documents concerning Federated, its Subsidiaries or their respective Assets or liabilities during the course of PopReach's review of Federated. No representation or warranty contained herein and no statement contained in any schedule or other disclosure document provided or to be provided to PopReach by Federated pursuant hereto contains or will contain a Misrepresentation.

ARTICLE VI SURVIVAL OF REPRESENTATIONS AND WARRANTIES

6.1 Survival of Representations and Warranties

The representations and warranties made by the Parties and contained in this Agreement, or contained in any Ancillary Agreement shall continue in full force and effect for the benefit of the respective Party or Parties, as applicable, until terminated and extinguished on the earlier of the Effective Date and the date on which this Agreement is terminated.

ARTICLE VII COVENANTS

7.1 Covenants of Federated

Subject to the other terms and conditions of this Agreement, Federated hereby covenants and agrees with PopReach as follows:

- (a) Post-Amalgamation Directors and Officers. In a timely and expeditious manner, Federated will cause Ted Hastings, and the three other independent directors to be nominated by Federated pursuant to Section 2.3(d), and Amy Hastings to submit to the TSXV personal information forms in compliance with the TSXV's Form 2A or Form 2C1, as applicable.
- (b) Information for PopReach Circular. In a timely and expeditious manner, Federated shall provide to PopReach all information as may be reasonably requested by PopReach or as required by Applicable Laws with respect to Federated and its Subsidiaries and their respective businesses and properties for inclusion in the PopReach Circular, including the Federated Financial Statements and related management discussion and analysis' (the "**Federated Information**") required to be disclosed in the PopReach Circular or in any amendment or supplement to the PopReach Circular (including any pro forma financial statements) and Federated shall ensure that all Federated Information does not contain any Misrepresentation with respect thereto. Federated shall use commercially reasonable efforts to obtain, if necessary, consents of auditors and other advisors to use financial, technical or expert information in the PopReach Circular and fully cooperate with PopReach in the preparation of the PopReach Circular.
- (c) Notification of Misrepresentation. Federated shall promptly notify PopReach if it becomes aware that the Federated Information or the PopReach Circular contains a Misrepresentation, or otherwise requires an amendment or supplement.
- (d) Amalgamation. Federated covenants and agrees to enter into the Amalgamation Agreement forthwith after receipt of the requisite approvals of the shareholders of Federated, Subco and PopReach to the Meeting Matters. In furtherance of the foregoing, Federated represents and warrants that all of the Federated Shareholders (including as a result of Section 2.11) have granted a power of attorney to Federated pursuant to which Federated (or its directors and officers) have the authority to vote or cause to be voted all Federated Shares in favor of the Amalgamation and the Transaction (and all parts thereof), and Federated hereby covenants and agrees to vote, or cause to be voted, all Federated Shares in favor of the Amalgamation and the Transaction (and all parts thereof). Subject to the approval of the shareholders of Federated, PopReach and Subco being obtained with respect to the Meeting Matters, and subject to the obtaining of all applicable regulatory approvals, including the conditional approval of the TSXV, thereafter jointly with Subco, Federated shall file with the Director the articles of amalgamation and such other documents as may be required to give effect to the Amalgamation upon and subject to the terms and conditions of this Agreement.

- (e) Documents and Records: Except as otherwise provided herein, Federated shall, and cause each of its Subsidiaries to, furnish promptly to PopReach a copy of any filing made under any Applicable Laws and any dealings or communications with any Governmental Authority, Securities Authority or stock exchange in connection with, or in any way affecting, the Transaction (except where such material is confidential or competitively or commercially sensitive, in which case it shall be provided (subject to Applicable Laws) to the other Party's outside counsel on an "external counsel" basis). PopReach and/or its directors, officers, auditors, counsel and other authorized representatives shall be permitted to make such commercially reasonable investigations of the properties, Assets and business of Federated and of its financial and legal condition as PopReach reasonably deems necessary or desirable, provided always that such investigations shall not unduly interfere with the operations of Federated. If reasonably requested, Federated shall, and cause each of its Subsidiaries to, provide copies, at the cost of PopReach, of Federated's or its Subsidiaries corporate records, including minute books, share ledgers and records maintained in connection with the Business. Such investigations will not, however, affect or mitigate in any way the representations and warranties contained in this Agreement, which representations and warranties shall continue in full force and effect for the benefit of PopReach and Subco.
- (f) Approvals and Consents. Federated shall, and cause each of its Subsidiaries to, use commercially reasonable efforts to obtain from Federated's, and each of its Subsidiaries', directors and shareholders and from all applicable Governmental Authorities (including the TSXV) such approvals or consents as are required to complete the transactions contemplated herein. Federated will afford PopReach with an opportunity to review all material disclosure and information Federated intends to provide to its shareholders in respect of such requisite approval, and shall make all such changes as are reasonably requested by PopReach.
- (g) Corporate Status. Federated shall, and cause each of its Subsidiaries to, maintain its respective corporate status in good standing and comply with all applicable securities and TSXV requirements (including any applicable filing requirements) until the Closing.
- (h) Usual Business. Other than in contemplation of, or as required to give effect to the Transaction, Federated shall, and shall cause its Subsidiaries to, until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms, use commercially reasonable efforts to maintain and preserve Federated and its Subsidiaries' business, assets, operations, properties, employees, goodwill and business relationships with customers, suppliers, partners and other Persons, in each case with which Federated or any of its Subsidiaries have material business relations, in the ordinary course.
- (i) Certain Actions. Federated shall, and shall cause and ensure that each of its Subsidiaries to, not take any action, refrain from taking any commercially reasonable action, and not permit any action to be taken or not taken, that would reasonably be expected to materially impede the completion of the Transaction.
- (j) Material Adverse Effect. Federated shall promptly notify PopReach of: (i) any Material Adverse Effect with respect to Federated and its Subsidiaries; (ii) any

notice or other written communication from any Person alleging that the consent of such Person (or another Person) is required in connection with the Transaction, or (iii) any material filings, Actions, suits, claims, investigations or proceedings commenced or, to its knowledge, threatened against, relating to or involving Federated or any of its Subsidiaries that relate to this Agreement or the Transaction.

- (k) Tax Structure. Federated shall use commercially reasonable best efforts to structure the Transaction in a manner that will be a tax-deferred transaction for Canadian tax purposes. Federated will cooperate, acting reasonably, to structure the transactions contemplated hereby in a tax-efficient manner, and to make any determinations, resolutions or decisions regarding any uncertain tax matters or positions with respect to Federated and its Subsidiaries.
- (l) Conditions Precedent. Federated shall use reasonable efforts to cause each of the conditions precedent in Sections 8.1 and 8.2 to be complied with.

7.2 Covenants of PopReach

Subject to the other terms and conditions of this Agreement, PopReach hereby covenants and agrees with Federated as follows:

- (a) Voting Agreement: Concurrently with the execution of this Agreement, PopReach will deliver to Federated a duly executed copy of each of the Voting Agreements with PopReach Insiders.
- (b) Information for PopReach Circular. PopReach will include all information as required by Applicable Laws with respect to PopReach and its Subsidiaries and their respective businesses and properties for inclusion in the PopReach Circular, including the PopReach Financial Statements and related management discussion and analysis' (the "**PopReach Information**") required to be disclosed in the PopReach Circular or in any amendment or supplement to the PopReach Circular (including any pro forma financial statements) and Federated shall ensure that all PopReach Information does not contain any Misrepresentation with respect thereto. PopReach shall use commercially reasonable efforts to obtain, if necessary, consents of auditors and other advisors to use financial, technical or expert information in the PopReach Circular.
- (c) PopReach Meeting. In a timely and expeditious manner, PopReach shall:
 - (i) set the record date for PopReach Shareholders entitled to vote at the Meeting;
 - (ii) subject to compliance by Federated with its obligations under Sections 7.1(b) and 7.1(c), prepare the PopReach Circular in the form and containing the information required by all Applicable Laws, including without limiting the generality of the foregoing, a copy of the PopReach Fairness Opinion and a statement that the PopReach Insiders, on an aggregate basis, have entered into the Voting Agreements, pursuant to which, *inter alia* and subject to the terms and conditions thereof, each PopReach Insider shall agree to vote in favour of the Meeting Matters all PopReach Shares now held or hereafter held by them that are entitled to vote on such matters, and

not containing any Misrepresentation with respect thereto, other than with respect to any information relating to and provided by Federated, provide Federated with a reasonable opportunity to comment thereon, reasonably consider all comments provided thereon by Federated, incorporate all information relating to Federated and its Subsidiaries included in the PopReach Circular to the satisfaction of Federated, and subsequently file the PopReach Circular, together with any other documents required by Applicable Laws, in all jurisdictions where the PopReach Circular is required to be filed and mail the PopReach Circular to all PopReach Shareholders to whom the PopReach Circular is required to be mailed;

- (iii) subject to compliance by Federated with its obligations under Sections 7.1(b) and 7.1(c), convene and conduct the Meeting in accordance with PopReach's constating documents and Applicable Laws as soon as reasonably practicable;
 - (iv) provide notice to Federated of the Meeting and allow representatives of Federated to attend the Meeting;
 - (v) solely for the purpose of completing the Transaction, at the reasonable request of Federated from time to time, provide Federated with a list (in both written and electronic form) of the registered PopReach Shareholders, together with their addresses and respective holdings of PopReach Shares, with a list of the names and addresses and holdings of all Persons having rights issued by PopReach to acquire PopReach Shares and a list of non-objecting beneficial owners of PopReach Shares, together with their addresses and respective holdings of PopReach Shares, as well as updates thereto as Federated may reasonably request from time to time;
 - (vi) provide Federated with information on the proxies received and the PopReach Shareholders votes on the Meeting Matters on a bi-weekly basis commencing at least ten Business Days before the date of the Meeting to the extent that such information is available to PopReach; and
 - (vii) promptly advise Federated of any material communication (written or oral) from or claims brought by (or threatened to be brought by) any Person in opposition to the Meeting Matters.
- (d) Amendments to PopReach Circular. In a timely and expeditious manner, subject to compliance by Federated with its obligations under Sections 7.1(b) and 7.1(c), and subject to providing Federated with a reasonable opportunity to comment thereon, PopReach shall prepare and file any mutually agreed (or as otherwise required by Applicable Laws) amendments or supplements to the PopReach Circular (which amendments or supplements shall be in a form satisfactory to the Parties, acting reasonably), complying in all material respects with all Applicable Laws on the date of the filing thereof.
- (e) Notification of Misrepresentation. PopReach shall promptly notify Federated if it becomes aware that the PopReach Circular contains a Misrepresentation, or otherwise requires an amendment or supplement.

- (f) Amalgamation. PopReach covenants and agrees to enter into the Amalgamation Agreement forthwith after receipt of the requisite approvals of the shareholders of Federated, Subco and PopReach to the Meeting Matters. Subject to the approval of the shareholders of Federated, PopReach and Subco being obtained with respect to the Meeting Matters, and subject to obtaining all applicable regulatory approvals, including the conditional approval of the TSXV, thereafter jointly with Federated, PopReach shall cause Subco to file with the Director the articles of amalgamation and such other documents as may be required to give effect to the Amalgamation upon and subject to the terms and conditions of this Agreement.
- (g) Documents and Records. Except as otherwise provided herein, PopReach shall furnish promptly to Federated a copy of any filing made under any Applicable Laws and any dealings or communications with any Governmental Authority, Securities Authority or stock exchange in connection with, or in any way affecting, the Transaction (except where such material is confidential or competitively or commercially sensitive, in which case it shall be provided (subject to Applicable Laws) to the other Party's outside counsel on an "external counsel" basis). Federated and/or its directors, officers, auditors, counsel and other authorized representatives shall be permitted to make such commercially reasonable investigations of the property, Assets and business of PopReach and of its financial and legal condition as Federated reasonably deems necessary or desirable, provided that such investigations shall not unduly interfere with the operations of PopReach. If reasonably requested, PopReach shall provide copies, at the cost of Federated, of PopReach's corporate records, including its minute books, share ledgers and the records maintained in connection with the business of PopReach. Such investigations will not, however, affect or mitigate in any way the representations and warranties contained in this Agreement, which representations and warranties shall continue in full force and effect for the benefit of Federated.
- (h) Approvals and Consents. PopReach shall use commercially reasonable efforts to obtain from the PopReach Board and the PopReach Shareholders and from all applicable Governmental Authorities (including the TSXV) such approvals or consents as are required to complete the transactions contemplated herein.
- (i) Corporate Status. PopReach will maintain its corporate status in good standing and comply with all applicable securities and TSXV requirements (including any applicable filing requirements) until the Closing.
- (j) Usual Business. Other than in contemplation of, or as required to give effect to the Transaction, PopReach shall, and shall cause its Subsidiaries to, until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms, use commercially reasonable efforts to maintain and preserve PopReach and its Subsidiaries' business, assets, operations, properties, employees, goodwill and business relationships with customers, suppliers, partners and other Persons, in each case with which PopReach or any of its Subsidiaries have material business relations, in the ordinary course.
- (k) No Material Transaction. Other than in connection with the Transaction, PopReach shall not, and will cause its Subsidiaries to not, without the prior written consent of Federated, which may not be unreasonably withheld, directly or indirectly engage

in any transaction, or enter into any agreements in respect of: (i) the purchase of any material property or Assets or any interest therein or the sale, transfer or other disposition of any material property or Assets or any interest therein currently owned, directly or indirectly, by PopReach or any of its Subsidiaries; or (ii) the change of control of PopReach or any of its Subsidiaries (whether by sale or transfer of shares or sale or transfer of all or substantially all of the applicable entity's property and Assets or otherwise).

- (l) Certain Actions. PopReach shall not take any action, or refrain from taking any commercially reasonable action, or permit any action to be taken or not taken, that would reasonably be expected to materially impede the completion of the Transaction.
- (m) Material Adverse Effect. PopReach shall promptly notify Federated of: (i) any Material Adverse Effect with respect to PopReach and its Subsidiaries; (ii) any notice or other written communication from any Person alleging that the consent of such Person (or another Person) is required in connection with the Transaction, or (iii) any material filings, Actions, suits, claims, investigations or proceedings commenced or, to its knowledge, threatened against, relating to or involving PopReach or any of its Subsidiaries that relate to this Agreement or the Transaction.
- (n) Tax Structure. PopReach shall use commercially reasonable best efforts to structure the Transaction in a manner that will be a tax-deferred transaction for Canadian tax purposes. PopReach will cooperate, acting reasonably, to structure the transactions contemplated hereby in a tax-efficient manner, and to make any determinations, resolutions or decisions regarding any uncertain tax matters or positions with respect to Federated and its Subsidiaries.
- (o) Conditions Precedent. PopReach shall use commercially reasonable efforts to cause each of the conditions precedent in Sections 8.1 and 8.3 to be complied with.

7.3 Covenants of Subco

Subject to the other terms and conditions of this Agreement, Subco hereby covenants and agrees with Federated as follows:

- (a) Usual Business. Until the Effective Date, (i) not conduct any business (other than as required in connection with the Amalgamation), and maintain and preserve its corporate existence; and (ii) not directly or indirectly, amend its constating documents, declare, set aside or pay any dividend or other distribution or payment or otherwise to or for the benefit of its shareholders or reduce its stated capital.
- (b) Corporate Status. Subco shall maintain its corporate status in good standing until the Closing.
- (c) Amalgamation. Subject to the approval of the shareholders of Federated, PopReach and Subco being obtained with respect to the Meeting Matters, and subject to the obtaining of all applicable regulatory approvals, including the conditional approval of the TSXV, thereafter jointly with Federated, file with the Director the articles of amalgamation and such other documents as may be required to give effect to the Amalgamation upon and subject to the terms and conditions of this Agreement.

- (d) Tax Structure. Subco shall use commercially reasonable best efforts to structure the Transaction in a manner that will be a tax-deferred transaction for Canadian tax purposes. Subco will cooperate, acting reasonably, to structure the transactions contemplated hereby in a tax-efficient manner, and to make any determinations, resolutions or decisions regarding any uncertain tax matters or positions with respect to Federated and its Subsidiaries.
- (e) Conditions Precedent. Subco shall use commercially reasonable efforts to cause each of the conditions precedent in Sections 8.1 and 8.3 to be complied with.

ARTICLE VIII CONDITIONS PRECEDENT

8.1 Conditions to Obligations of All Parties

The obligations of each Party to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment, at or before the Closing, of each of the following conditions, which conditions are for the mutual respective benefit of the Parties and may be waived, in whole or in part, by the Parties upon mutual written consent:

- (a) Receipt of all shareholder, regulatory and other approvals, authorizations and consents for the Transaction (and the parts thereof), as applicable, including, but not limited to:
 - (i) requisite approval by the TSXV;
 - (ii) requisite approval by the PopReach Shareholders at the Meeting and the PopReach Board;
 - (iii) requisite approval by the Federated Shareholders and the Federated Board; and
 - (iv) the approvals set forth in Section 4.5 of the PopReach Disclosure Schedules and Section 5.5 of the Federated Disclosure Schedules; and
- (b) there shall not be in force any Law, order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement (other than any order or decree initiated or obtained by any Party, directly or indirectly).

8.2 Conditions to Obligations of PopReach and Subco

The obligations of PopReach and Subco to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or PopReach and Subco's waiver, at or before the Closing, of each of the following conditions, which conditions are for the exclusive benefit of PopReach and Subco and may be waived, in whole or in part, by PopReach and Subco, in their sole discretion:

- (a) The representations and warranties of Federated contained in this Agreement or in any Ancillary Agreement shall have been true and correct as of the date of this Agreement and shall be true and correct as of the Effective Date, in each case in all material respects, with the same force and effect as if such representations and

warranties had been made on and as of such Effective Date, except where such representations and warranties are made as of a specified date.

- (b) Federated shall, and shall have caused its Subsidiaries to, have performed, fulfilled or complied with, in all material respects, all of its obligations, covenants and agreements contained in this Agreement and in any Ancillary Agreement to be fulfilled or complied with by it or any one or more of them at or prior to the Effective Date.
- (c) All approvals, consents and authorizations of third parties required to be obtained by Federated in respect of the transactions contemplated herein, if any, shall have been obtained on terms acceptable to PopReach, acting reasonably.
- (d) Federated shall deliver or cause to be delivered to PopReach and Subco the Federated Closing Documents as set forth in Section 3.2 in a form satisfactory to PopReach and Subco, acting reasonably.
- (e) From the date of this Agreement, there shall not have occurred any Material Adverse Effect with respect to Federated and its Subsidiaries, nor shall any event or events have occurred that, individually or in the aggregate, with or without the lapse of time, could reasonably be expected to result in a Material Adverse Effect with respect to Federated and its Subsidiaries.
- (f) Federated Shareholders shall not have exercised their right to dissent in connection with the Amalgamation, with respect to more than 1% of the issued and outstanding Federated Shares.
- (g) All proceedings to be taken in connection with the transactions contemplated in this Agreement and any Ancillary Agreement shall be satisfactory in form and substance to PopReach and Subco, acting reasonably, and PopReach and Subco shall have received copies of all instruments and other evidence as it may reasonably request in order to establish the consummation or completion of such transactions and the taking of all necessary proceedings in connection therewith.
- (h) No Action or proceeding (whether legal, regulatory or otherwise, formal or informal) shall be pending or threatened by any Person (other than by PopReach or Subco, directly or indirectly) in any jurisdiction (i) to enjoin, restrict or prohibit any of the transactions contemplated by this Agreement, (ii) in relation to Federated, any of its Subsidiaries or any one of their officers, directors or principal shareholders, or (iii) that would, if determined against Federated or any of its Subsidiaries, have, or reasonably be expected to have, a Material Adverse Effect with respect to Federated and its Subsidiaries, in the reasonable opinion of PopReach and Subco.
- (i) All approvals and consents from the PopReach Lender required to be obtained by PopReach in respect of PopReach's assumption of the Closing Debt and, as may be required by the PopReach Lender, the Closing Debt being duly subordinated to PopReach's existing senior secured debt to the satisfaction of the PopReach Lender.
- (j) Other than the Closing Debt, the amount of other Debt that is fully accounted for in the Closing Date Working Capital and such other Debt as may be acceptable to PopReach, in its sole and absolute discretion, none of Federated or any of its Subsidiaries has any Debt as at the Effective Date. Without limiting the generality

of the foregoing and for greater certainty, Federated shall deliver or cause to be delivered to PopReach evidence satisfactory to PopReach, acting reasonably, of the full and indefeasible repayment (including all accrued interests, fees and expenses) cancellation and termination of the Notify Promissory Note, the Q1Media Convertible Debenture, the CIHI Convertible Debenture and the CIHI Loan Assignment (as each is defined in the Federated Disclosure Schedules) as well as the release and termination of all Encumbrances in connection therewith, including all Encumbrances (including Guarantees) related thereto set out in Sections 5.9(c), 5.13(j) and 5.13(p) of the Federated Disclosure Schedules.

8.3 Conditions to Obligations of Federated

The obligations of Federated to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or Federated's waiver, at or before the Closing, of each of the following conditions, which conditions are for the exclusive benefit of Federated and may be waived, in whole or in part, by Federated, in its sole discretion:

- (a) The representations and warranties of PopReach and Subco contained in this Agreement or in any Ancillary Agreement shall have been true and correct as of the date of this Agreement and shall be true and correct as of the Effective Date, in each case in all material respects, with the same force and effect as if such representations and warranties had been made on and as of such Effective Date, except where such representations and warranties are made as of a specified date.
- (b) PopReach and Subco shall have performed, fulfilled or complied with, in all material respects, all of their obligations, covenants and agreements contained in this Agreement and in any Ancillary Agreement to be fulfilled or complied with by PopReach and Subco at or prior to the Effective Date.
- (c) All approvals, consents and authorizations of third parties in respect of the transactions contemplated herein required to be obtained by PopReach and/or Subco, including without limitation all necessary shareholder approvals and approvals for the Meeting Matters, shall have been obtained on terms acceptable to Federated acting reasonably.
- (d) PopReach and Subco shall deliver or cause to be delivered to Federated the PopReach and Subco Closing Documents as set forth in Section 3.3 in a form satisfactory to Federated acting reasonably.
- (e) From the date of this Agreement, there shall not have occurred any Material Adverse Effect with respect to PopReach and its Subsidiaries, nor shall any event or events have occurred that, individually or in the aggregate, with or without the lapse of time, could reasonably be expected to result in a Material Adverse Effect with respect to PopReach and its Subsidiaries.
- (f) All proceedings to be taken in connection with the transactions contemplated in this Agreement and any Ancillary Agreement shall be satisfactory in form and substance to Federated, acting reasonably, and Federated shall have received copies of all instruments and other evidence as it may reasonably request in order to establish the consummation or completion of such transactions and the taking of all necessary proceedings in connection therewith.

- (g) No Action or proceeding (whether legal, regulatory or otherwise, formal or informal) shall be pending or threatened by any Person (other than by Federated, directly or indirectly) in any jurisdiction (i) to enjoin, restrict or prohibit any of the transactions contemplated by this Agreement, (ii) in relation to PopReach or Subco or any one of its respective officers, directors or any of its principal shareholder, or (c) that would, if determined against PopReach or Subco, have, or reasonably be expected to have, a Material Adverse Effect with respect to PopReach and its Subsidiaries, in the reasonable opinion of Federated.

ARTICLE IX EXCLUSIVITY AND STANDSTILL

9.1 Exclusivity

From the date hereof until the earlier of the Effective Date and the date on which this Agreement is terminated (the “**Exclusivity Period**”), the Parties each agree that, subject to their respective fiduciary duties and Applicable Laws, it will not, and will not permit any of its Affiliates and its Affiliates’ respective agents, directors, officers, employees, consultants, advisors (including, without limitation, financial, legal and accounting advisors) and representatives (collectively, the “**Representatives**”) to, without the prior consent of the other Parties, directly or indirectly, solely or jointly with any other Person:

- (a) solicit, initiate or encourage, engage, participate or assist in, or respond positively to or take any action to facilitate any inquiries, submissions, proposals or offers regarding any transaction that is in form or substance similar to, or in any way, directly or indirectly, competitive with, adverse to or otherwise inconsistent with the Transaction or the terms or completion thereof, whether by way of merger, amalgamation, share exchange, consolidation, exchange offer, sale or purchase of assets or properties, or other business acquisition, disposition, combination or transaction, other than with the other Parties (“**Alternative Proposal**”);
- (b) encourage, induce, engage, participate or assist in any discussions or negotiations regarding any Alternative Proposal;
- (c) provide any information to, or cooperate in any way with, any Person (other than the Representatives of the other Party) in connection with any Alternative Proposal;
- (d) enter into any commitment, arrangement or agreement for an Alternative Proposal;
or
- (e) take or omit to take any actions that would reasonably be expected to reduce the likelihood of the Transaction’s success.

Each Party shall promptly notify the other Parties of any Alternative Proposal of which it or any of its Representatives is or becomes aware of, or any request for information relating to it. Such notice shall include a description of the material terms and conditions of any such proposal and the identity of the Person making such proposal, inquiry, request or contact. Notwithstanding the foregoing, nothing contained in this Agreement shall prohibit the PopReach Board or PopReach from taking any action, making any disclosure and otherwise responding or reacting if the PopReach Board, acting in good faith and upon the advice of outside legal advisors, shall have

first determined that the failure to do so would be inconsistent with the fiduciary duties of the PopReach Board or such action, disclosure, response or reaction is required by Applicable Law, *provided that*, to the extent permitted by Applicable Law, PopReach shall provide Federated and its outside legal counsel with a reasonable opportunity to review and comment on the form and content of any action or disclosure to be made pursuant to this paragraph, and shall give reasonable consideration to comments made by Federated and its outside legal counsel. Notwithstanding the foregoing or anything else in this Agreement, and for greater certainty, in connection with or in furtherance of the proper discharge of their fiduciary duties, the directors and officers of PopReach may consider, participate in any discussions or negotiations with, or provide information to, any Person who has delivered or issued a Superior Proposal that did not result from a breach by PopReach of this Section 9.1, provided that PopReach shall promptly advise Federated in writing of the existence of such Superior Proposal and, to the extent not otherwise restricted, provide material details thereof to Federated.

9.2 Standstill

During the Exclusivity Period and for a period of six (6) months thereafter, other than the transactions contemplated in this Agreement, neither Federated nor any of its Representatives on the one hand, and neither PopReach nor any of its Representatives on the other hand, shall, in each case directly or indirectly, individually or jointly or in concert with any other Person, and in any way, form or manner, without the express prior written consent of the other Parties, not to be unreasonably withheld, conditioned or delayed:

- (a) for Federated and its Representatives only, acquire or agree, or assist, advise or encourage any other Person, to acquire or make any proposal to acquire any securities, Assets or property of PopReach or its Affiliates;
- (b) for Federated and its Representatives only, solicit proxies of PopReach Shareholders or join or participate in a proxy group;
- (c) employ or attempt to employ any Person who is then or was as at the date hereof a director, officer or employee of the other Party or its Affiliates;
- (d) make any public or private disclosure of any consideration, intention, plan or arrangement in connection with any of the foregoing; or
- (e) advise, assist or encourage any other Person in connection with any of the foregoing, including without limitation by providing financing for such purpose.

In furtherance of the foregoing, it shall also be a condition to the Closing, Federated will deliver to PopReach at or prior to the Closing, duly executed undertaking from each current director, officer and insider of Federated and its Subsidiaries in favour of PopReach, in respect of the foregoing (“**Federated Standstill Agreements**”).

ARTICLE X TERMINATION

10.1 Termination Rights of PopReach and Subco

PopReach and Subco may terminate this Agreement by notice in writing to Federated:

- (a) if any of the conditions set forth in Section 8.1 or 8.2 have not been fulfilled or waived at or prior to the Termination Deadline;
- (b) if Federated breaches any representation or warranty of Federated set forth in this Agreement, which breach would cause the condition in Section 8.2(a) not to be satisfied or Federated fails to comply with any of its covenants set forth in this Agreement that would cause the condition in Section 8.2(b) not to be satisfied, and such breach or failure is incapable of being cured or is not cured within 30 days of written notice from PopReach or Subco to Federated specifying such breach, provided that any wilful breach shall be deemed incapable of being cured and PopReach and Subco are not then in breach of this Agreement so as to cause any condition in Sections 8.3(a) or 8.3(b) not to be satisfied;
- (c) at any time after PopReach receives a Superior Proposal, provided that as a condition to such termination, PopReach shall pay to Federated a cash payment of \$1,000,000 in immediately available funds within ten (10) Business Days of such notice (the “**PopReach Break-Fee**”); or
- (d) if there has occurred a Material Adverse Effect with respect to Federated and its Subsidiaries after the date of this Agreement and such Material Adverse Effect is incapable of being remedied within ten (10) Business Days of such Material Adverse Effect occurring,

and in such event PopReach and Subco shall be released from all obligations hereunder, subject to Section 10.4(b). If PopReach and/or Subco waive compliance with any of the conditions, obligations or covenants contained in this Agreement, the waiver will be without prejudice to any of their rights of termination in the event of non-fulfilment, non-observance or non-performance by Federated of any other condition, obligation, or covenant in whole or in part.

10.2 Termination Rights of Federated

Federated may terminate this Agreement by notice in writing to PopReach and Subco:

- (a) if any of the conditions set forth in Section 8.1 or 8.3 have not been fulfilled or waived at or prior to the Termination Deadline;
- (b) if PopReach or Subco breaches any representation or warranty of PopReach or Subco set forth in this Agreement which breach would cause the condition in 8.3(a) not to be satisfied or PopReach or Subco fails to comply with any of its covenants set forth in this Agreement that would cause the condition in 8.3(b) not to be satisfied, and such breach or failure is incapable of being cured or is not cured within 30 days of written notice from Federated to PopReach and Subco specifying such breach, provided that any wilful breach shall be deemed incapable of being cured and Federated is not then in breach of this Agreement so as to cause any condition in Sections 8.2(a) or 8.2(b) not to be satisfied; or
- (c) if there has occurred a Material Adverse Effect with respect to PopReach and its Subsidiaries after the date of this Agreement and such Material Adverse Effect is incapable of being remedied within ten (10) Business Days of such Material Adverse Effect occurring;

and in such event Federated shall be released from all obligations hereunder, subject to Section 10.4(b). If Federated waives compliance with any of the conditions, obligations or covenants contained in this Agreement, the waiver will be without prejudice to any of their rights of termination in the event of non-fulfilment, non-observance or non-performance by PopReach and/or Subco of any other condition, obligation or covenant in whole or in part.

10.3 Mutual Termination

This Agreement may, by notice in writing given prior to or on the Effective Date, be terminated by mutual written consent of the Parties and, in such event, each Party shall be released from all obligations under this Agreement, subject to Section 10.4(b).

10.4 Procedure and Effect of Termination

- (a) Termination of this Agreement by either Party pursuant to Sections 10.1 or 10.2 shall be by delivery of a written notice to the other Parties. Such notice shall state the termination provision in this Agreement that such terminating Party is claiming provides a basis for termination of this Agreement. Termination of this Agreement pursuant to the provisions of Sections 10.1 and 10.2 shall be effective upon and as of the date of delivery of such written notice.
- (b) In the event of the termination of this Agreement, this Agreement shall be terminated and have no further effect, and there shall be no liability of any kind or nature hereunder on the part of either Party or any of their respective Affiliates, except that this Section 10.4(b) and Article XI shall survive any termination of this Agreement.
- (c) Nothing in this Section 10.4 shall relieve any Party of (i) any claim or liability for fraud, gross negligence or willful misconduct or (ii) any claim or liability resulting from any breaches of this Agreement prior to the termination hereof.
- (d) Each Party's right of termination under this Article X is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of a right of termination will not be an election of remedies. Nothing in Article X shall limit or affect any other rights or causes of action PopReach, Federated or Subco may have with respect to the representations, warranties, covenants and indemnities in its favour contained in this Agreement.

ARTICLE XI GENERAL

11.1 Counterparts

This Agreement may be executed in several counterparts (by original or facsimile signature), each of which when so executed shall be deemed to be an original and each of such counterparts, if executed by each of the Parties, shall constitute a valid and enforceable agreement among the Parties.

11.2 Confidentiality

All information provided to or received by the Parties shall be treated as confidential (“**Confidential Information**”). Subject to the provisions of this Section 11.2, no Confidential Information shall be published, disclosed or used, directly or indirectly, in any manner whatsoever, by any Party without the prior written consent of the others, not be unreasonably withheld or delayed. The consent required by this Section 11.2 shall not apply to a disclosure to: (a) comply with any Applicable Laws; (b) a director, officer or employee of a Party, an Affiliate of a Party, legal counsel, auditors or other professional advisors of a Party, a consultant, contractor or subcontractor of a Party that has a *bona fide* need to be informed, or a bank or other financial institution from which the disclosing party is seeking equity or debt financing; provided, however, that the third party or parties to whom Confidential Information is disclosed as permitted by this Section 11.2 agree to maintain in Confidence all such Confidential Information so disclosed to them; and provided further that, the obligations of confidence and prohibitions against disclosure, publication or use of Confidential Information in this Section 11.2 shall not apply to information that the receiving Party can show by reasonable documentary evidence or otherwise: (a) as of the date of this Agreement, was in the public domain other than as a result of a breach of any agreement with the disclosing Party or by the receiving Party or any of its Affiliates; (b) after the date of this Agreement, was published or otherwise became part of the public domain through no fault of the receiving Party or an Affiliate thereof (but only after, and only to the extent that, it is published or otherwise becomes part of the public domain); or (c) was information that the receiving Party or its Affiliates were required to disclose pursuant to the order of any Governmental Authority or judicial authority.

11.3 Applicable Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Parties irrevocably attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario.

11.4 Successors and Assigns

This Agreement shall accrue to the benefit of and be binding upon each of the Parties hereto and their respective heirs, executors, administrators and assigns, provided that this Agreement shall not be assigned by any one of the Parties without the prior written consent of each of the other Parties.

11.5 Costs and Expenses

Each of the Parties shall be responsible for its own costs and charges incurred with respect to the consummation of the transactions contemplated hereby including, without limitation, all costs and charges incurred prior to the date hereof and all legal and accounting fees and disbursements relating to preparing this Agreement, or otherwise relating to the transactions contemplated hereby.

11.6 Further Assurances

Each of the Parties hereto will from time to time after the Effective Date at any other Party’s request and expense and without further consideration, execute and deliver such other instruments

of transfer, conveyance and assignment and take such further action as the other may reasonably require to give to any matter provided for herein.

11.7 Public Announcements

Except as otherwise provided herein, PopReach and Federated shall consult with each other in respect to issuing any press release or otherwise making any public statement with respect to this Agreement or the Transaction and in making any filing with any Governmental Authority with respect to this Agreement or the Transaction, including any Securities Authority; *provided, however,* that the foregoing shall be subject to each Party's overriding obligation to make any press releases, public statements or filing required under Applicable Laws, including the rules and policies of any applicable stock exchange. The Party making such press releases, public statements or filings shall use all commercially reasonable efforts to give prior oral or written notice to the other Party and provide the other Party a reasonable opportunity to review and comment on such press releases, public statements or filings (except where such material is confidential or competitively or commercially sensitive, in which case it shall be provided (subject to Applicable Laws) to the other Party's outside counsel on an "external counsel" basis), and if such prior notice is not permitted by Applicable Laws, including rules and policies of any applicable stock exchange, to give such notice immediately following the making of such press releases, public statements or filings. Reasonable consideration shall be given to any comments made by the other Party and its counsel on such press releases, public statements or filings.

11.8 Entire Agreement

This Agreement, the Disclosure Schedules, and the schedules referred to herein constitute the entire agreement among the Parties hereto and supersede all prior agreements, representations, warranties, statements, promises, information, arrangements and understandings (including, for clarity, the Letter of Intent), whether oral or written, express or implied, with respect to the subject matter hereof. None of the Parties hereto shall be bound or charged with any oral or written agreements, representations, warranties, statements, promises, information, arrangements or understandings not specifically set forth in this Agreement or in the schedules, documents and instruments to be delivered on the Effective Date pursuant to this Agreement. The Parties hereto further acknowledge and agree that, in entering into this Agreement and in delivering the schedules, documents and instruments to be delivered on the Effective Date, they have not in any way relied, and will not in any way rely, upon any oral or written agreements, representations, warranties, statements, promises, information, arrangements or understandings, express or implied, not specifically set forth in this Agreement or in such schedules, documents or instruments.

11.9 Notices

Any notice required or permitted to be given hereunder shall be in writing and shall be effectively given if (a) delivered personally, (b) sent prepaid courier service or mail, or (c) sent by e-mail or other similar means of electronic communication addressed as follows:

in the case of notice to PopReach or Subco:

PopReach Corporation
1 University Avenue, 3rd Floor
Toronto, Ontario M5J 2P1

Attention: Christopher Locke
Email: clocke@popreach.com

with copies to:

Goodmans LLP
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

Attention: Victor Liu
Tel: 416-597-5141
Email: vliu@goodmans.ca

in the case of notice to Federated

Federated Foundry
50 Queen St N #1020
Kitchener, ON N2H 6M2

Attention: Ted Hastings
Email: ted@federatedfoundry.com

with copies to:

MLT Aikins LLP
2600 – 1066 West Hastings Street
Vancouver, BC V6E 3X1

Attention: Mahdi Shams
Tel: 604-608-4563
Email: mshams@mltaikins.com

Any notice, designation, communication, request, demand or other document given or sent or delivered as aforesaid shall: if delivered personally, be deemed to have been given, sent, delivered and received on the date of delivery; if sent by prepaid courier service or mail, be deemed to have been given, sent, delivered and received (but not actually received) on the fourth Business Day following the date of mailing, unless at any time between the date of mailing and the fourth Business Day thereafter there is a discontinuance or interruption of regular postal service, whether due to strike or lockout or work slowdown, affecting postal service at the point of dispatch or delivery or any intermediate point, in which case the same shall be deemed to have been given, sent, delivered and received in the ordinary course of the mail, allowing for such discontinuance or interruption of regular postal service, and if sent by email or other electronic communication, be deemed to have been given, sent, delivered and received on the date the sender receives the telecopy answer back confirming receipt by the recipient; in each case, unless sent after business hours or on a day that is not a Business Day, in which case receipt shall be deemed to the immediately following Business Day.

11.10 Waiver

No waiver or release by any Party hereto shall be effective unless in writing and executed by the Party granting such waiver or release and any waiver or release shall affect only the matter, and the occurrence thereof, specifically identified and shall not extend to any other matter or occurrence. A Party's failure or delay in exercising any right under this Agreement shall not operate as a waiver of that right. A single or partial exercise of any right shall not preclude a Party from any other or further exercise of that right or the exercise of any other right.

11.11 No Personal Liability

No director, officer or employee of PopReach shall have any personal liability to Federated under this Agreement. No director, officer or employee of Federated shall have any personal liability to PopReach under this Agreement.

11.12 Amendments

No modification or amendment to this Agreement may be made unless agreed to by the Parties hereto in writing.

11.13 Remedies

Upon termination of this Agreement under circumstances where Federated is entitled to the PopReach Break-Fee, and such fee has been paid in full, Federated shall be precluded from any other remedy against PopReach, at law or in equity or otherwise and Federated shall not seek to obtain any recovery, judgment or damages of any kind, including consequential, indirect or punitive damages, against PopReach or any of its directors, officers, employees, partners, managers, shareholders or affiliates in connection with this Agreement or the transactions contemplated hereby. Subject to the foregoing, the Parties hereto acknowledge and agree that an award of money damages may be inadequate for any breach of this Agreement by any Party and that such breach may cause the non-breaching Parties hereto irreparable harm. Accordingly, the Parties hereto agree that, in the event of any such breach or threatened breach of this Agreement by one of the Parties hereto, the non-breaching Parties shall be entitled, without the requirement of posting a bond or other security, to equitable relief, including injunctive relief and specific performance. The rights and remedies of the Parties under this Agreement are cumulative and in addition to and not in substitution for any rights or remedies provided by law. Any single or partial exercise by any party hereto of any right or remedy for default or breach of any term, covenant or condition of this Agreement does not waive, alter, affect or prejudice any other right or remedy to which such Party may be lawfully entitled for the same default or breach.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF this Agreement has been executed by the Parties hereto as of the date first above written.

POPREACH CORPORATION

Per: “Christopher Locke”

Name: Christopher Locke

Title: President

2873766 ONTARIO LIMITED

Per: “Christopher Locke”

Name: Christopher Locke

Title: Director

**2810735 ONTARIO INC. D/B/A FEDERATED
FOUNDRY**

Per: “Ted Hastings”

Name: Ted Hastings

Title: CEO

SCHEDULE "A"
FORM OF AMALGAMATION AGREEMENT

(see attached)

AMALGAMATION AGREEMENT

THIS AGREEMENT is made as of the ____ day of _____, 202____.

B E T W E E N:

2810735 Ontario Inc. d/b/a Federated Foundry, a corporation incorporated under the laws of the Province of Ontario (“**Federated**”)

-and-

2873766 Ontario Limited, a corporation incorporated under the laws of the Province of Ontario (“**Subco**”)

-and-

PopReach Corporation, a corporation incorporated under the laws of the Province of Ontario (“**PopReach**”)

RECITALS:

- A. Subco is a direct, wholly-owned subsidiary of PopReach.
- B. Each of the Parties has agreed to effect an amalgamation in accordance with the Act on the terms and conditions set out in this Agreement.

NOW THEREFORE the Parties hereby agree as follows:

ARTICLE I DEFINITIONS AND RULES OF INTERPRETATION

1.1 Definitions

Throughout this Agreement, the following terms shall have the following corresponding meanings. All other capitalized terms used and not defined herein shall have the meanings ascribed thereto in the business combination agreement among Federated, Subco and PopReach dated as of the _____ day of October, 2021 (the “**Combination Agreement**”):

“**Act**” means the *Business Corporations Act* (Ontario).

“**Certificate Date**” means the date of the Certificate of Amalgamation.

“**Certificate of Amalgamation**” means the certificate of amalgamation giving effect to the amalgamation contemplated by this Agreement

“**Corporation**” means the corporation that will continue as a result of the amalgamation of Federated and Subco.

1.2 Rules of Interpretation

In this Agreement:

- (a) **Time** – Time is of the essence in and of this Agreement.
- (b) **Plurals and Gender** – The use of words in the singular or plural, or referring to a particular gender, shall not limit the scope or exclude the application of any provision of this Agreement to such persons or circumstances as the context otherwise permits.
- (c) **Statutory References** – Any reference to a statute shall mean the statute in force as at the date of this Agreement (together with all regulations promulgated thereunder), as the same may be amended, re-enacted, consolidated or replaced from time to time, and any successor statute thereto, unless otherwise expressly provided.

1.3 Applicable Law

This Agreement shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated, in all respects, as an Ontario contract.

ARTICLE II AMALGAMATION

2.1 Effective Date

Federated and Subco hereby agree to amalgamate effective at 12:01 a.m. (EST) on the Certificate Date in accordance with the provisions of the Act and to continue as one corporation on the terms and conditions of this Agreement.

2.2 Name

The name of the Corporation shall be Federated Foundry Limited.

2.3 Authorized Share Capital of the Corporation

The authorized capital of the Corporation shall be an unlimited number of common shares.

2.4 Financial Year

The first financial year of the Corporation shall commence at the earliest possible moment on the Certificate Date.

2.5 Registered Office

The registered office of the Corporation shall be located at 1 University Avenue, 3rd Floor, Toronto, ON, M5J 2P1.

2.6 Board of Directors

- (a) The board of directors of the Corporation shall consist of a minimum of one and a maximum of twenty directors. Until changed by the shareholders or the directors of the Corporation in a manner permitted by the Act, the number of directors of the Corporation shall be three (3), who shall be the persons whose names, addresses and resident Canadian status are set out below:

<u>Name</u>	<u>Address</u>	<u>Resident Canadian</u>
Ted Hastings	1 University Avenue, 3rd Floor, Toronto, ON, M5J 2P1	YES
Christopher Locke	1 University Avenue, 3rd Floor, Toronto, ON, M5J 2P1	YES
Jon Walsh	1 University Avenue, 3rd Floor, Toronto, ON, M5J 2P1	YES

- (b) The directors shall hold office until the first annual meeting of the Corporation or until successors are elected or appointed. Subsequent directors of the Corporation shall be elected in accordance with the provisions of the Act and the by-laws of the Corporation.
- (c) Subject to the Act, the board of directors of the Corporation shall be authorized and empowered to determine the number of directors within the minimum and maximum number and the number of directors to be elected at each annual meeting of shareholders of the Corporation. The directors of the Corporation shall be further empowered to appoint one or more additional directors, who shall hold office for a term expiring not later than the close of the next annual meeting of shareholders, but the total number of directors so appointed may not exceed one third of the number of directors elected at the previous annual meeting of shareholders of the Corporation.

2.7 Restrictions on Business of the Corporation

There shall be no restrictions on the business that the Corporation may carry on.

2.8 Other Provisions

The following provisions shall apply to the Corporation:

- (a) The number of beneficial shareholders of the Corporation, exclusive of persons who are in the employment of the Corporation and exclusive of persons who, having been formerly in the employment of the Corporation, were, while in that employment, and have continued after termination of that employment to be, shareholders of the Corporation, is limited to not more than fifty, two or more persons who are the joint owners of one or more shares being counted as one shareholder.
- (b) Any invitation to the public to subscribe for securities of the Corporation is prohibited.
- (c) The Corporation shall have a lien on the shares registered in the name of the shareholder or their legal representative for a debt of the shareholder to the Corporation.

2.9 Restrictions on Transfer of Securities

No securities of the Corporation, other than non-convertible debt securities, shall be transferred unless such transfer (a) is approved by either the directors of the Corporation or the holders of the outstanding voting shares of the Corporation, in accordance with the articles and the by-laws of the Corporation and applicable legislation; and (b) complies with the terms and conditions regarding restrictions on transfer, if any, contained in any unanimous security holders' agreement.

2.10 By-Laws

The by-laws of the Corporation shall initially be the by-laws of Federated. A copy of the proposed by-laws of the Corporation may be examined at 333 Bay Street, Suite 3400, Toronto, Ontario M5H 2S7 or the registered office of the Corporation.

2.11 Issued Share Capital of the Corporation

- (a) Effective at 12:01 am (EST) on the Certificate Date:
- (i) each issued and outstanding common share in the capital of Subco shall be exchanged for one (1) fully paid common share of the Corporation, and all such common shares of Subco shall be cancelled;
 - (ii) each issued and outstanding Federated Share (including, for clarity, each Federated Share issuable upon due exercise, conversion and/or exchange of all Federated securities exercisable, convertible and/or exchangeable for or into Federated Shares) shall be exchanged for the number of PopReach Shares equal to the Exchange Ratio, all such PopReach Shares to be fully paid and non-assessable and issued by PopReach from treasury, and all such Federated Shares shall be cancelled; and
 - (iii) in consideration of the issuance by PopReach of the PopReach Shares pursuant to Section 3.2(a)(ii), the Corporation shall issue to PopReach 999,999 fully paid and non-assessable common shares in the capital of the Corporation.
- (b) The amount to be added to the stated capital account maintained in respect of common shares of the Corporation in connection with the issue of such shares under Section 2.11. on the Certificate Date shall be the amount which is the sum of (i) the aggregate paid-up capital for the purposes of the Tax Act in respect of the issued and outstanding Federated Shares that are exchanged for PopReach Shares pursuant to Section 2.11(a)(ii), and (ii) the paid-up capital for the purposes of the Tax Act in respect of the issued and outstanding common shares of Subco immediately prior to the amalgamation pursuant to this Agreement.
- (c) The amount to be added to the stated capital account maintained in respect of the common shares of PopReach in respect of the issuance of the PopReach Shares pursuant to Section 2.11(a)(ii) will be equal to the paid-up capital for the purposes of the Tax Act of the Federated Shares for which such PopReach Shares were issued pursuant to Section 2.11(a)(ii).

(d) On the Certificate Date and subject to the Combination Agreement:

- (i) the holders of record of Federated Shares, (including, for clarity, each Federated Share issuable upon due exercise, conversion and/or exchange of all Federated securities exercisable, convertible and/or exchangeable for or into Federated Shares) shall be, and be deemed to be, the registered holders of PopReach Shares to which they are entitled hereunder without any further action on the part of such registered holder of securities in the capital of the Corporation;
- (ii) PopReach shall, or shall cause or direct its transfer agent to, issue to each holder of record of Federated Shares, certificates or other evidence of ownership satisfactory to PopReach, acting reasonably (including uncertificated records registered in the name of CDS Clearing and Depository Services Inc. on the bookbased securities transfer system administered by it, provided that U.S. Persons as identified by PopReach must be issued physical certificates or DRS Advice), in each case bearing such legends as may be required by PopReach, the TSXV or other Governmental Authority, representing the number of PopReach Shares to which such holder is entitled, without any further action on the part of such registered holder of securities in the capital of PopReach;
- (iii) PopReach, as the registered holder of the Subco Shares, shall be deemed to be the registered holder of the common shares of the Corporation to which it is entitled hereunder and upon surrender of the certificates representing such Subco Shares to the Corporation, PopReach shall be entitled to receive a share certificate representing the number of common shares of the Corporation to which it is entitled pursuant to Section 2.11; and
- (iv) certificates and other corporate records evidencing Federated Shares, any other equity securities of Federated or any other securities exercisable, exchangeable or convertible into Federated Shares or other equity securities of Federated, all shall cease to represent any claim upon or interest in PopReach or the Corporation other than the right of the holder to receive, pursuant to the terms hereof, PopReach Shares in accordance with and pursuant to Section 2.11.

(e) On and after the Certificate Date, the (former) holders of Federated Share (including, for clarity, each Federated Share issuable upon due exercise, conversion and/or exchange of all Federated securities exercisable, convertible and/or exchangeable for or into Federated Shares) shall, at the request of PopReach and to the extent that any such holders have accepted delivery of certificates representing such securities, surrender all certificates representing all such securities.

(f) Notwithstanding any other provision of this Agreement, no fractional common share of the Corporation will be issuable to any security holder of Federated, Subco or PopReach pursuant to the amalgamation, and no cash payment or other form of consideration will be payable in lieu thereof. Any such fractional common share interest to which a security holder of the Corporation would otherwise be entitled pursuant to the amalgamation will be rounded down to the nearest whole common share of PopReach.

2.12 Assets, Properties and Liabilities

- (a) Subco shall contribute to the Corporation all its property and assets, subject to all its liabilities.
- (b) Federated shall contribute to the Corporation all its property and assets, subject to all its liabilities.
- (c) The Corporation shall possess all the property, assets, rights, privileges and franchises and shall be subject to all liabilities, including civil, criminal and quasi criminal, and all contracts, disabilities and debts of Subco and Federated.
- (d) All rights of creditors against the property, assets, rights, privileges and franchises of Subco and Federated and all liens upon their property, rights and assets shall be unimpaired by such amalgamation and all debts, contracts, liabilities and duties of Subco and Federated shall thenceforth attach to and be enforced against the Corporation.
- (e) No action or proceeding by or against Subco or Federated shall abate or be affected by such amalgamation but, for all purposes of such action or proceeding, the name of the Corporation shall be substituted in such action or proceeding in place of Subco or Federated, as the case may be.
- (f) Subject to the provisions of the Combination Agreement, the Parties shall, upon the shareholders of Subco and Federated respectively approving this Agreement in accordance with the provisions of the Act, complete and send articles of amalgamation in prescribed form to the Director appointed under the Act, providing for the amalgamation of Subco and Federated upon and subject to the terms and conditions of this Agreement and the Combination Agreement.

ARTICLE III GENERAL

3.1 Termination

This Agreement may be terminated by the directors of any of the Parties at any time before the issuance of the Certificate of Amalgamation, notwithstanding the approval of the Amalgamation Agreement by the shareholders of each of the Parties.

3.2 Waiver

Except as otherwise expressly set out herein, no waiver of any provision of this Agreement shall be binding unless it is in writing. No indulgence, forbearance or other accommodation by a party shall constitute a waiver of such party's right to insist on performance in full and in a timely manner of all covenants in this Agreement or in any document delivered pursuant to this Agreement. Waiver of any provision shall not be deemed to waive the same provision thereafter, or any other provision of this Agreement at any time.

3.3 Further Assurances

The Parties shall do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Agreement, and each of the Parties shall provide such further documents or instruments required by the other Parties as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions.

3.4 Execution by Electronic Transmission

The signature of any of the Parties may be evidenced by a facsimile, scanned email or internet transmission copy of this Agreement bearing such signature.

3.5 Counterparts

This Agreement may be signed in one or more counterparts, each of which so signed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument. Notwithstanding the date of execution or transmission of any counterpart, each counterpart shall be deemed to have the effective date first written above.

[SIGNATURE PAGES TO IMMEDIATELY FOLLOW]

IN WITNESS WHEREOF the parties have duly executed this Agreement as of the date first written above.

**2810735 ONTARIO INC. D/B/A FEDERATED
FOUNDRY**

Per: _____

2873766 ONTARIO LIMITED

Per: _____

POPREACH CORPORATION

Per: _____

**SCHEDULE “B”
EXECUTIVE EMPLOYEES**

Federated Executive Employees

Ted Hastings as Executive Chairman

Amy Hastings as General Counsel and Corporate Secretary

Jeff Collins

Kevin Ferrell

Notify AI, LLC Executive Employees

James Mansfield

Paul Mansfield

Michael Fitzgerald

SCHEDULE "C"
FORM OF EXECUTIVE EMPLOYMENT AGREEMENT

(see attached)