

AGENCY AGREEMENT

December 22, 2021

SPARQ Systems Inc.
945 Princess Street Innovation Park
Kingston, ON K7L 0E9

Attention: Praveen Jain, Chief Executive Officer

MJ Innovation Capital Corp.
181 Bay St., Suite 1800
Toronto, ON M5J 2T9

Attention: Bryan Van Engelen, Chief Executive Officer and Chief Financial Officer

Dear Madam/Sir:

The undersigned, Echelon Wealth Partners Inc. (“**Echelon**” or the “**Agent**”), understands that SPARQ Systems Inc. (“**SPARQ**” or the “**Corporation**”) has entered into a definitive amalgamation agreement dated June 10, 2021, as amended on September 14, 2021 and November 26, 2021 (the “**Definitive Agreement**”) with MJ Innovation Capital Corp. (“**MJ**”) in respect of a proposed reverse take-over transaction (the “**Reverse Take-Over**”) to be completed by way of the Amalgamation (as defined herein).

In connection therewith, the Corporation proposes to issue and sell up to 23,000,000 subscription receipts of the Corporation (the “**Subscription Receipts**” and each, individually, a “**Subscription Receipt**”) at a price of \$0.50 per Subscription Receipt (the “**Offering Price**”) on a private placement basis for aggregate gross proceeds of up to \$10,000,000 (or \$11,500,000 if the Agent exercises its option in full to purchase an additional 3,000,000 Subscription Receipts) (the “**Offering**”).

The Subscription Receipts will be created pursuant to a subscription receipt agreement (the “**Subscription Receipt Agreement**”) among the Corporation, MJ, the Agent and TSX Trust Company, as subscription receipt agent (the “**Subscription Receipt Agent**”), to be dated as of the Closing Date (as hereinafter defined). In case of any inconsistency between the description of the Subscription Receipts in this Agreement and the terms of the Subscription Receipts as set forth in the Subscription Receipt Agreement, the provisions of the Subscription Receipt Agreement shall govern. Except where the contrary is indicated, references to “Subscription Receipts” in this Agreement shall include the Subscription Receipts offered for sale to the Purchasers (as hereinafter defined).

Each Subscription Receipt will, upon the satisfaction of the Escrow Release Conditions (as hereinafter defined), and without payment of any additional consideration or further action on the part of the holders of the Subscription Receipts, be automatically converted into one unit of the Corporation (each, a “**Unit**”), with each Unit being comprised of one Common Share (as hereinafter defined) and one Common Share purchase warrant (each, a “**Warrant**”). Each Warrant shall entitle the holder thereof to purchase one Common Share (each, a “**Warrant Share**”) for a period of 24 months following the date the Escrow Release Conditions are satisfied at a price of \$0.75 per Warrant Share, subject to adjustment in certain events as set out in the Warrant Indenture (as hereinafter defined) governing the Warrants.

The Agent understands that the Subscription Receipts are being issued in connection with the proposed Reverse Take-Over of MJ by the Corporation, which shall constitute MJ’s “Qualifying Transaction” as

defined in Policy 2.4 – *Capital Pool Companies* of the TSX Venture Exchange (the “**TSXV**”). Pursuant to the Reverse Take-Over, the Resulting Issuer (as hereinafter defined) will apply to have the Resulting Issuer Shares and Resulting Issuer Warrants (as hereinafter defined) listed for trading on the TSXV. The Reverse Take-Over will be implemented by way of a “three-cornered” amalgamation whereby, among other things, a wholly-owned subsidiary of MJ (“**Subco**”) will amalgamate with the Corporation (the “**Amalgamation**”) pursuant to the Definitive Agreement. As a result of the Amalgamation, the securityholders of the Corporation will become securityholders of MJ (which will be renamed “SPARQ Corp.” or such other name as is agreed to by the Corporation and MJ) (such corporation referred to herein as the “**Resulting Issuer**”).

The Agent understands that pursuant to the Reverse Take-Over, among other things, (i) MJ will complete the consolidation (the “**Consolidation**”) of the MJ Common Shares (as hereinafter defined) on the basis of 1.25 pre-Consolidation MJ Common Shares for each post-Consolidation MJ Common Share (each, a “**Consolidated MJ Share**”); the Corporation will complete a consolidation of the common shares on the basis of 10.8085146:1 basis (the “**SPARQ Consolidation**”); (ii) Subco will amalgamate with the Corporation pursuant to the Definitive Agreement; (iii) MJ will reconstitute its board of directors and officers to be comprised of the nominees of the Corporation; and (iv) pursuant to the Definitive Agreement, the Common Shares and Warrants of the Corporation will be exchanged for equivalent securities of the Resulting Issuer at an exchange ratio of one security of the Resulting Issuer for each one security of the Corporation (the “**Exchange Ratio**”) and the exercise price of securities exercisable to acquire Resulting Issuer Shares shall be adjusted having regard to the Exchange Ratio.

Pursuant to the Amalgamation: (i) the Common Shares comprising the SPARQ Units to be issued upon conversion of the Subscription Receipts will be exchanged for, without payment of any additional consideration and without any further action on the part of the holder thereof an equal number of Resulting Issuer Shares (as hereinafter defined); and (ii) the Warrants comprising the SPARQ Units to be issued upon conversion of the Subscription Receipts will be exchanged for an equal number of Resulting Issuer Warrants (as hereinafter defined). In the event a holder of SPARQ Units would be entitled to receive a fractional Resulting Issuer Share and/or a fractional Resulting Issuer Warrant, no such fractional Resulting Issuer Share nor fractional Resulting Issuer Warrant will be issued and the number of Resulting Issuer Shares and/or Resulting Issuer Warrants to be received by such holder will be rounded down to the next lowest whole number of Resulting Issuer Shares and/or Resulting Issuer Warrants. Each Resulting Issuer Warrant shall entitle the holder thereof to purchase one Resulting Issuer Share (a “**Resulting Issuer Warrant Share**”) for a period of 24 months following the date the Escrow Release Conditions are satisfied, at a price of \$0.75 per Resulting Issuer Share, subject to adjustment in certain events as set out in the Warrant Indenture.

The Warrants shall be duly authorized, created and validly issued pursuant to a warrant indenture (the “**Warrant Indenture**”) to be entered into on or before the Closing Date between the Corporation and TSX Trust Company (the “**Warrant Agent**”), in its capacity as warrant agent thereunder. The description of the Warrants herein is a summary only and is subject to the specific attributes and detailed provisions of the Warrants to be set forth in the Warrant Indenture. In case of any inconsistency between the description of the Warrants in this Agreement and the terms of the Warrants as set forth in the Warrant Indenture, the provisions of Warrant Indenture shall govern. The Resulting Issuer Warrants shall be duly authorized, created and validly issued pursuant to the Warrant Indenture. The description of the Resulting Issuer Warrants herein is a summary only and is subject to the specific attributes and detailed provisions of the Resulting Issuer Warrants to be set forth in the Warrant Indenture. In case of any inconsistency between the description of the Warrants in this Agreement and the terms of the Warrants as set forth in the Warrant Indenture, the provisions of the Warrant Indenture shall govern.

The gross proceeds of the Offering, less 50% of the Commission (as hereinafter defined), the Advisory Fee and all of the estimated expenses payable to the Agent at the Closing Time (as hereinafter defined) pursuant to Section 16 (the “**Escrowed Proceeds**”), will be delivered to and held by the Subscription Receipt Agent in an interest-bearing account (the Escrowed Proceeds, together with all interest and income earned thereon, are referred to herein as the “**Escrowed Funds**”) pending the satisfaction or waiver (to the extent such waiver is permitted) of the Escrow Release Conditions in accordance with the provisions of the Subscription Receipt Agreement. The balance of the Cash Compensation, and any additional reasonable expenses of the Agent payable pursuant to Section 16 incurred subsequent to the Closing Date, shall be released from escrow to the Agent and the balance of the Escrowed Funds shall be released from escrow to the Corporation (or as it may otherwise direct) upon the satisfaction of the following conditions (collectively, the “**Escrow Release Conditions**”):

- (i) written confirmation from each of the Corporation and MJ that all conditions precedent to the completion of the Reverse Take-Over have been satisfied or waived, other than the release of the Escrowed Funds (including the escrowed portion of the Cash Compensation), and the closing of the Reverse Take-Over will be completed forthwith upon release of the Escrowed Funds;
- (ii) the Resulting Issuer Shares (including the Resulting Issuer Warrant Shares issuable upon exercise of the Resulting Issuer Warrants) being conditionally approved for listing on the TSXV and the completion, satisfaction or waiver of all conditions precedent to such listing, other than the release of the Escrowed Funds;
- (iii) the receipt of all regulatory, shareholder and third-party approvals, if any, required in connection with the Reverse Take-Over;
- (iv) the distribution of: (A) the Common Shares and Warrants underlying the Subscription Receipts; and (B) the Resulting Issuer Shares and Resulting Issuer Warrants to be issued in exchange for the Common Shares and Warrants, as applicable, being exempt from the applicable prospectus and registration requirements of applicable Securities Laws; and
- (v) the Corporation and the Agent, on its own behalf and on behalf of the Agent, shall have delivered a release notice and direction (the “**Release Notice**”) to the Subscription Receipt Agent confirming that items (i) through (iv), inclusive, have been satisfied.

If the Escrow Release Conditions are not satisfied at or before 5:00 p.m. (Toronto time) on the date that is 120 days following the Closing Date (the “**Escrow Release Deadline**”), or such other date as may be agreed to by the Corporation and Echelon or, if prior to such time, the Definitive Agreement is terminated or the Corporation has advised the Agent in writing that it does not intend to proceed with the Reverse Take-Over, or announced to the public that the Reverse Take-Over will not be completed (in any case, a “**Termination Event**”, and the date upon which such event occurs, the “**Termination Date**”), within three (3) Business Days following the Termination Date, the Subscription Receipt Agent is to return, in accordance with the terms of the Subscription Receipt Agreement, to each Subscription Receipt holder their respective aggregate Offering Price plus a *pro rata* amount of any interest and other income accrued in respect of the Escrowed Proceeds to the Termination Date and the Subscription Receipts will be cancelled without any further action on the part of the holders thereof. The Corporation agrees to be liable for and covenants to contribute such amounts as are necessary to makeup any shortfall in the amount of the Escrowed Funds so that the holders of Subscription Receipts receive a full refund of their aggregate Offering Price plus a *pro rata* share of interest actually earned thereon, less applicable taxes, if any.

Upon and subject to the terms and conditions set forth herein, the Agent hereby agrees to act, and upon acceptance hereof, the Corporation hereby appoints the Agent, as the Corporation's exclusive Agent, to offer for sale by way of a private placement on a commercially reasonable efforts basis, without underwriter liability, the Subscription Receipts to be issued and sold pursuant to the Offering and the Agent agrees to arrange for purchasers of the Subscription Receipts in the Designated Provinces (as hereinafter defined) and those other jurisdictions where the Subscription Receipts may be lawfully sold pursuant to the terms and conditions hereof (collectively, the "**Selling Jurisdictions**").

The Corporation has included certain Purchasers as identified by the Corporation on a president's list (the "**President's List**"). The parties hereto acknowledge that the Agent shall not be obligated, and may, in its sole discretion, acting reasonably, refuse to participate in any subscription for Subscription Receipts by any Purchaser on the President's List. It is acknowledged by the parties that certain purchasers of Subscription Receipts will settle directly with the Corporation (the "**Direct Settlers**"). The parties hereto acknowledge that the Agent shall not be required to conduct a suitability review in respect of the sale of any Subscription Receipts to Direct Settlers and the indemnity set out in Section 11 of this Agreement shall apply in respect of such sales.

The Corporation agrees that the Agent will be permitted to appoint, at its sole expense, other registered dealers or other dealers duly qualified in their respective jurisdictions, in each case acceptable to the Corporation, acting reasonably, as its agent to assist with the Offering in the Selling Jurisdictions and that the Agent may determine the remuneration payable by the Agent to such other dealers appointed by them.

DEFINITIONS

In this Agreement, in addition to the terms defined above and elsewhere herein, the following terms shall have the following meanings:

"**Advisory Fee**" has the meaning ascribed thereto in Section 24 of this Agreement;

"**affiliate**", "**associate**", "**distribution**", "**misrepresentation**", "**material fact**" and "**material change**" shall have the respective meanings ascribed thereto in the *Securities Act* (Ontario);

"**Agent**" has the meaning ascribed thereto on page 1 of this Agreement;

"**Agreement**" means this agreement resulting from the acceptance by the Corporation and MJ of the offer made by the Agent hereby, including all schedules hereto, as amended or supplemented from time to time;

"**Alternative Transaction**" means (i) an issuance or sale by the Corporation or any of its respective affiliates, of securities other than those pursuant to the Offering contemplated herein; (ii) a merger, amalgamation, business combination, initial public offering, reverse take-over (other than the Reverse Take-Over), reorganization, joint-venture or similar transaction involving the Corporation or its shareholders; (iii) the acquisition of the Corporation by way of take-over bid, exchange offer, direct sale or indirect sale or exchange of all or substantially all of the shares, securities or assets of the Corporation or a similar transaction; or (iv) such other liquidity event. For purposes of this Agreement, "affiliate" shall have the meaning ascribed to such term in the *Securities Act* (Ontario).

"**Amalgamation**" has the meaning ascribed thereto on page 2 of this Agreement;

"**Assets and Properties**" with respect to any Person means all assets and properties of every kind, nature, character and description (whether real, personal or mixed, tangible or intangible, choate or inchoate,

absolute, accrued, contingent, fixed or otherwise, and, in each case, wherever situated), including the goodwill related thereto, operated, owned or leased by or in the possession of such Person;

“Authorizations” shall have the meaning ascribed there in Section 9(mm) of this Agreement;

“Business” means the business of the Corporation and includes all activities directly or indirectly planned for, undertaken, completed and analysed by the Corporation, including any activities ancillary thereto;

“Business Day” means a day which is not a Saturday, Sunday or statutory or civic holiday in the City of Toronto, Ontario;

“Cash Compensation” has the meaning ascribed thereto in Section 24;

“CDS” means CDS Clearing and Depository Services Inc.;

“Claim” shall have the meaning ascribed thereto in Section 15 of this Agreement;

“Closing” means the completion of the purchase and sale of the Subscription Receipts on the Closing Date as contemplated by this Agreement and the Subscription Agreements;

“Closing Date” means December 21, 2021 or such other date as agreed between the Corporation and the Agent;

“Closing Time” means 10:00 a.m. (Toronto time) on the Closing Date or such other time on such Closing Date as the Corporation and the Agent may agree;

“Commission” has the meaning ascribed thereto in Section 24;

“Common Shares” means the common shares of the Corporation, which the Corporation is authorized to issue as constituted on the date hereof;

“Compensation Option Certificates” has the meaning ascribed thereto in Section 24;

“Compensation Option Shares” has the meaning ascribed thereto in Section 24;

“Compensation Option SPARQ Units” has the meaning ascribed thereto in Section 24;

“Compensation Option Warrant Share” has the meaning ascribed thereto in Section 24;

“Compensation Option Warrants” has the meaning ascribed thereto in Section 24;

“Compensation Options” has the meaning ascribed thereto in Section 24;

“Consolidated MJ Share” has the meaning ascribed thereto on page 2 of this Agreement;

“Consolidation” has the meaning ascribed thereto on page 2 of this Agreement;

“Contract” means all agreements, contracts or commitments of any nature, written or oral, including, for greater certainty and without limitation, leases, loan documents and security documents;

“Corporation” has the meaning ascribed thereto on page 1 of this Agreement;

“Debt Instrument” means any loan, bond, debenture, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money or other liability;

“Definitive Agreement” has the meaning ascribed thereto on page 1 of this Agreement;

“Designated Provinces” means, collectively, each of the provinces of Canada;

“Direct Settlers” has the meaning ascribed thereto on page 4 of this Agreement;

“Due Diligence Materials” means, collectively, the materials relating to the Corporation and MJ provided to the Agent and the Agent’s counsel in connection with this Offering and the draft Filing Statement of SPARQ prepared in connection with the Reverse Take-Over, and provided to the Agent including, for greater certainty, the financial statements to be included therein or as otherwise required by the TSXV in connection with the Reverse Take-Over;

“Encumbrance” means any encumbrance, lien, charge, hypothec, pledge, mortgage, title retention agreement, security interest of any nature, adverse claim, exception, reservation, easement, restriction, right of occupation, any matter capable of registration against title, option, right of pre-emption, privilege or any contract to create any of the foregoing;

“Engagement Letter” means the letter agreement dated as of May 19, 2021 between the Corporation and the Agent relating to the Offering;

“Environmental Condition” mean the generation, discharge, emission or Release into the environment (including, without limitation, ambient air, surface water, groundwater or land), of any Hazardous Materials by any person in respect of which remedial action is required under any Environmental Laws or as to which any liability is currently or in the future imposed upon any person based upon the acts or omissions of any person with respect to any Hazardous Materials or reporting with respect thereto;

“Environmental Laws” means all applicable federal, provincial, state, local, municipal or foreign statute, law, rule, regulation, ordinance, code, legally binding policy or rule of common law or civil law or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent, decree or judgment, relating to pollution or protection of human health, the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including, without limitation, laws and regulations relating to the release or threatened release of Hazardous Materials or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials;

“Environmental Permits” includes all orders, permits, certificates, approvals, consents, registrations and licenses issued by any authority of competent jurisdiction under any Environmental Law;

“Escrow Release Deadline” has the meaning ascribed thereto on page 3 of this Agreement;

“Escrowed Funds” has the meaning ascribed thereto on page 3 of this Agreement;

“Escrowed Proceeds” has the meaning ascribed thereto on page 3 of this Agreement.

“Escrow Release Conditions” has the meaning ascribed thereto on page 3 of this Agreement;

“Exchange Ratio” has the meaning ascribed thereto on page 2 of this Agreement;

“Financial Statements” has the meaning ascribed thereto in Section 9(bb);

“Governmental Authority” means any governmental authority and includes, without limitation, any national or federal government, province, state, municipality or other political subdivision of any of the foregoing, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing;

“Hazardous Materials” has the meaning ascribed thereto in Section 9(eee);

“including” means including without limitation;

“Indebtedness” of any Person means all obligations of such Person: (a) for borrowed money; (b) evidenced by notes, bonds, debentures or similar instruments; (c) for the deferred purchase price of goods or services (other than trade payables or accruals incurred in the ordinary course of business); (d) under capital and operating leases; (e) under “vendor take-back” financing or deferred payments in connection with any acquisition; and (f) which are guarantees of the obligations described in clauses (a) through (e) above of any other Person if secured by any or all of the Assets and Properties of the guarantor;

“IFRS” means International Financial Reporting Standards applicable in Canada;

“Intellectual Property” means all trade or brand names, business names, trademarks, service marks, copyrights, patents, patent rights, licenses, industrial designs, drug identification numbers (and equivalents in jurisdictions other than Canada), know-how (including trade secrets and other unpatented or unpatentable proprietary or confidential information, systems or procedures), computer software, inventions, designs and other industrial or intellectual property of any nature whatsoever;

“Investor Presentation” means the final investor presentation of the Corporation titled “SPARQ Advanced Inverter Technology” delivered to prospective purchasers of Subscription Receipts in connection with the Offering;

“knowledge” (or similar phrases) means with respect to facts or circumstances pertaining to the Corporation or MJ, a statement as to the knowledge of any of the senior officers of the Corporation and MJ, respectively, about the facts or circumstances to which such phrase related, after having made due inquiries into the relevant subject matter;

“Laws” means all laws, statutes, by-laws, rules, regulations, orders, decrees, ordinances, protocols, codes, guidelines, policies, notices, directions and judgments or other requirements of any Governmental Authority applicable to the Corporation or MJ;

“Listing” means the listing and posting for trading of the Resulting Issuer Shares and Resulting Issuer Warrants on the TSXV upon the completion of the Reverse Take-Over;

“Material Adverse Effect” means the effect resulting from any change (including a decision to implement such a change made by the board of directors or by senior management who believe that confirmation of the decision of the board of directors is probable), event, violation, inaccuracy or circumstance that is materially adverse to the business, assets (including intangible assets), liabilities, capitalization, ownership, prospects, financial condition, or results of operations of the Corporation, taken as a whole, or MJ and Subco, taken as a whole, as applicable;

“MJ” has the meaning ascribed thereto on page 1 of this Agreement;

“MJ Common Shares” means the common shares in the capital of MJ;

“NI 45-102” means National Instrument 45-102 – *Resale of Securities*;

“NI 45-106” means National Instrument 45-106 – *Prospectus Exemptions*;

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

“Offered Securities” has the meaning ascribed thereto in Section 2 hereof;

“Offering” has the meaning ascribed thereto on page 1 of this Agreement;

“Offering Price” has the meaning ascribed thereto on page 1 of this Agreement;

“Person” includes any individual (whether acting as an executor, trustee administrator, legal representative or otherwise), corporation, firm, partnership, sole proprietorship, syndicate, joint venture, trustee, trust, unincorporated organization or association, and pronouns have a similar extended meaning;

“President’s List” has the meaning ascribed thereto on page 4 of this Agreement;

“Purchasers” means the Persons (which may include the Agent) who, as purchasers, acquire the Subscription Receipts by duly completing, executing and delivering the Subscription Agreements;

“Release” has the meaning prescribed in any Environmental Law and includes any sudden, intermittent or gradual release, spill, leak, pumping, addition, pouring, emission, emptying, discharge, migration, injection, escape, leaching, disposal, dumping, deposit, spraying, burial, abandonment, incineration, seepage, placement or introduction of a Hazardous Material, whether accidental or intentional, into the environment;

“Release Notice” has the meaning ascribed thereto on page 3 of this Agreement;

“Remediation” means any investigation, clean-up, removal action, remedial action, restoration, repair, response action, corrective action, monitoring, sampling, and analysis, installation, reclamation, closure or post-closure in connection with the suspected, threatened or actual Environmental Condition;

“Resulting Issuer” has the meaning ascribed thereto on page 2 of this Agreement;

“Resulting Issuer Compensation Options” has the meaning ascribed thereto in Section 24;

“Resulting Issuer Compensation Option Shares” has the meaning ascribed thereto in Section 24;

“Resulting Issuer Compensation Option Units” means, following the completion of the Amalgamation, units of the Resulting Issuer, consisting of one Resulting Issuer Compensation Option Share and one Resulting Issuer Compensation Option Warrant;

“Resulting Issuer Compensation Option Warrant Share” has the meaning ascribed thereto in Section 24;

“Resulting Issuer Compensation Option Warrants” has the meaning ascribed thereto in Section 24;

“Resulting Issuer Shares” means, following the completion of the Consolidation and the Amalgamation, the common shares in the capital of the Resulting Issuer;

“Resulting Issuer Warrants” means, following the completion of the Consolidation and the Amalgamation, the Resulting Issuer Share purchase warrants held by the former holders of Warrants;

“Resulting Issuer Warrant Shares” has the meaning ascribed thereto on page 2 of this Agreement;

“Reverse Take-Over” has the meaning ascribed thereto on page 1 of this Agreement;

“ROFR Period” has the meaning ascribed thereto in Section 25 of this Agreement;

“Securities Laws” means, unless the context otherwise requires, all applicable securities laws in each of the Selling Jurisdictions, the respective regulations made thereunder, together with applicable published fee schedules, prescribed forms, policy statements, multilateral and national instruments, orders, blanket rulings, notices and other regulatory instruments of the securities regulatory authorities (including the TSX) in such jurisdictions;

“Securities Regulators” means, collectively, the securities regulators or other securities regulatory authorities in the Designated Provinces (including the TSXV);

“Selling Jurisdictions” has the meaning ascribed thereto on page 4 of this Agreement;

“Shareholders’ Agreement” means the sixth amended and restated unanimous shareholders’ agreement of the Corporation dated December 5, 2017;

“SPARQ Consolidation” has the meaning ascribed thereto on page 2 of this Agreement;

“Sparq USA” means, Sparq Systems (USA) Inc., a wholly-owned subsidiary of SPARQ incorporated under the laws of the state of Delaware;

“Subco” has the meaning ascribed thereto on page 2 of this Agreement;

“Subscription Agreements” means, collectively, the subscription agreements in the form or forms agreed upon by the Agent and the Corporation, as amended, pursuant to which Purchasers agree to subscribe for and purchase Subscription Receipts as contemplated herein and shall include, for greater certainty, all schedules and appendices thereto;

“Subscription Receipt Agent” has the meaning ascribed thereto on page 1 of this Agreement;

“Subscription Receipt Agreement” has the meaning ascribed thereto on page 1 of this Agreement;

“Subscription Receipts” has the meaning ascribed thereto on page 1 of this Agreement;

“Subsequent Mandate” has the meaning ascribed thereto in Section 25 of this Agreement;

“subsidiary” has the meaning ascribed to such term in the OBCA;

“Tax Act” means the *Income Tax Act* (Canada) and all rules and regulations made pursuant thereto, all as may be amended, re-enacted or replaced from time to time and any proposed amendments thereto announced publicly from time to time;

“Taxes” has the meaning ascribed thereto in Section 9(s);

“Termination Date” has the meaning ascribed thereto on page 3 of this Agreement;

“Termination Event” has the meaning ascribed thereto on page 3 of this Agreement;

“Transaction Documents” means, collectively, this Agreement, the Subscription Agreements relating to the purchase of the Subscription Receipts, the Subscription Receipt Agreement, the Warrant Indenture and the certificates representing the Subscription Receipts and the Compensation Option Certificates issued on Closing;

“TSXV” has the meaning ascribed thereto on page 2 of this Agreement;

“Underlying Securities” means, collectively, the Common Shares and the Warrants comprising the SPARQ Units, the Warrant Shares issuable upon exercise of the Warrants, the Resulting Issuer Shares issuable in exchange for the Common Shares pursuant to the Reverse Take-Over, the Resulting Issuer Warrants issuable in exchange for Warrants pursuant to the Reverse Take-Over, the Resulting Issuer Warrant Shares issuable upon exercise of the Resulting Issuer Warrants, the Compensation Option Shares and Compensation Option Warrants comprising the Compensation Option SPARQ Units, the Compensation Option Warrant Shares issuable upon exercise of the Compensation Option Warrants, the Resulting Issuer Compensation Option Shares and the Resulting Issuer Compensation Option Warrants comprising the Resulting Issuer Compensation Option Units, and the Resulting Issuer Compensation Option Warrant Shares issuable upon exercise of the Resulting Issuer Compensation Option Warrants;

“Unit” has the meaning ascribed thereto on page 1 of this Agreement;

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

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

“U.S. Securities Act” has the meaning ascribed thereto in subsection 7(w)(ii) hereof;

“Warrant” has the meaning ascribed thereto on page 1 of this Agreement;

“Warrant Agent” has the meaning ascribed thereto on page 2 of this Agreement;

“Warrant Certificates” means the certificates representing the Warrants;

“Warrant Indenture” has the meaning ascribed thereto on page 2 of this Agreement; and

“Warrant Share” has the meaning ascribed thereto on page 1 of this Agreement.

TERMS AND CONDITIONS

1. Sale on Exempt Basis. The Agent shall use its commercially reasonable efforts to arrange for the purchase of the Subscription Receipts:

- (a) in the Designated Provinces on a private placement basis in compliance with applicable Securities Laws, with each Purchaser being an “accredited investor” (as defined in NI 45-106) or a person who is otherwise qualified to purchase Subscription Receipts pursuant to such other available exemption as agreed to by the Corporation and the Agent as evidenced

by the Corporation's acceptance of a Subscription Agreement with respect thereto, in accordance with the provisions hereof; and

- (b) in such other jurisdictions, as may be agreed upon between the Corporation and the Agent, on a private placement basis in compliance with all applicable securities laws of such other jurisdictions provided that no prospectus, registration statement or similar document is required to be filed in such jurisdiction, no registration or similar requirement would apply with respect to the Corporation in connection with the Offering or the Reverse Take-Over in such other jurisdiction and neither the Corporation nor the Resulting Issuer thereafter becomes subject to ongoing or continuous disclosure obligations in such other jurisdictions.

2. U.S. Sales. The parties acknowledge and agree that the Subscription Receipts, the SPARQ Units, the Common Shares and the Warrants comprising the SPARQ Units, and the Warrant Shares (the “**Offered Securities**”) have not been and will not be registered under the U.S. Securities Act or any United States state securities laws, and the Agent agrees that neither it nor any of its affiliates, nor any person acting on any of its behalf, has offered or will offer to sell or has solicited or will solicit any offer to buy, directly or indirectly, any of such Offered Securities to, or for the account or benefit of, a person in the United States or a U.S. Person. All offers and sales of Offered Securities by the Agent have been and will be made in “offshore transactions” (as such term is defined in Rule 902(h) of Regulation S under the U.S. Securities Act) in compliance with Rule 903 of Regulation S under the U.S. Securities Act. All offers and sales of Offered Securities to, or for the account or benefit of, persons in the United States and U.S. Persons have been and will be made directly by the Corporation to “accredited investors” (as defined in Rule 501(a) of Regulation D under the U.S. Securities Act) in compliance with the exemption from the registration requirements of the U.S. Securities Act provided by Rule 506(b) of Regulation D under the U.S. Securities Act and similar exemptions under applicable United States state securities laws.

3. Filings. The Corporation undertakes to file or cause to be filed all forms or undertakings required to be filed by the Corporation in connection with the issue and sale of the Subscription Receipts such that the distribution of the Subscription Receipts may lawfully occur without the necessity of filing a prospectus, a registration statement or an offering memorandum (other than the Investor Presentation) in Canada or elsewhere, and the Agent undertakes to use commercially reasonable efforts to cause Purchasers under the Offering to complete any forms required by Securities Laws or other applicable securities laws. All fees payable in connection with such filings under all applicable Securities Laws shall be at the expense of the Corporation.

4. Offering Memorandum. Neither the Corporation nor the Agent shall: (i) other than the Investor Presentation, provide to prospective Purchasers any document or other material or information that would constitute an offering memorandum within the meaning of Securities Laws; or (ii) engage in any form of general solicitation or general advertising in connection with the offer and sale of the Subscription Receipts, including but not limited to, causing the sale of the Subscription Receipts to be advertised in any newspaper, magazine, printed public media, printed media or similar medium of general and regular paid circulation, broadcast over radio, television or telecommunications, including electronic display, or conduct any seminar or meeting relating to the offer and sale of the Subscription Receipts whose attendees have been invited by general solicitation or advertising.

5. The Qualifying Transaction and Regulatory Filings. The Corporation and MJ, as applicable, shall use commercially reasonable efforts to: (a) take all actions reasonably necessary or required to complete the Reverse Take-Over as soon as practicable and, in any event, on or before the Escrow Release Deadline; (b) take all actions reasonably necessary to ensure that the Listing is obtained prior to the Escrow Release Deadline; and (c) prepare and, to the extent required, file all documents required by Securities

Regulators in connection with the issuance and sale of the Subscription Receipts by the Corporation and the issuance of the Underlying Securities, in each case, so as to permit and enable such securities to be lawfully distributed on a prospectus exempt basis in the Selling Jurisdictions in accordance with this Agreement and the Subscription Agreements. The Corporation shall allow the Agent and its counsel to participate fully in the preparation of, and to approve the form of all documentation required in respect of the Offering. The Corporation will permit and provide the Agent and its counsel with a reasonable opportunity to review and provide comments on the documents prepared in connection with the Reverse Take-Over.

6. Material Changes. Until the earlier of the date that the Escrow Release Conditions are satisfied and the Escrow Release Deadline, each of the Corporation and MJ, as applicable, shall promptly notify the Agent in writing:

- (a) if the Corporation becomes aware of any material fact not previously disclosed, any material change or change in a material fact (in any case, whether actual, anticipated, to the knowledge of the Corporation contemplated or threatened and other than a change of fact relating solely to the Agent) or any event or development that would result in a material change or change in a material fact in any or all of the business of the Corporation or any other change that is of such a nature as to result in, or could result in this Agreement or the documents to be prepared by the Corporation in connection with the Reverse Take-Over containing an untrue statement of a material fact or omitting to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, or which could render any of the foregoing not in compliance with any Securities Laws;
- (b) of the full particulars of any actual, anticipated or, to the knowledge of the Corporation, contemplated or threatened change referred to in paragraph 6(a) above, and the Corporation will, if required to do so, issue or file or assist MJ in issuing or filing, as applicable, promptly and, in any event, within all applicable time limitation periods with the applicable Securities Regulators, a press release, material change report or other document as may be required under Securities Laws and shall comply with all other applicable filing and other requirements under the Securities Laws. Subject to compliance with applicable Securities Laws, neither the Corporation nor MJ shall file any such new or amended disclosure documentation without first notifying the Agent, and shall not issue or file, as applicable, any press release or material change report without giving the Agent and its counsel an opportunity for review of the proposed forms, and who shall review and approve any such documents as expeditiously as reasonably possible and such approval not to be unreasonably withheld or delayed; and
- (c) will in good faith discuss with the Agent as promptly as possible any circumstance or event that is of such a nature that there is or ought to be consideration given as to whether there may be a material change or change in a material fact described in paragraph 6(a) above.

7. Covenants of the Corporation. The Corporation hereby covenants to the Agent and to the Purchasers and their permitted assigns, and acknowledges that each of them is relying on such covenants in connection with the Offering, that the Corporation (including its successors and assigns if applicable) will:

- (a) allow the Agent and its representatives to conduct all due diligence regarding the Corporation which the Agent may reasonably require to be conducted prior to the Closing Date;

- (b) fulfil or cause to be fulfilled, at or prior to the Closing Time, each of the conditions required to be fulfilled by it set out in Section 13;
- (c) execute and deliver this Agreement, the Subscription Receipt Agreement, the Subscription Agreements, the Warrant Indenture, the certificates representing the Subscription Receipts, if any, and the Compensation Option Certificates at the Closing Time and comply with and satisfy all terms, conditions and covenants therein contained to be complied with or satisfied by the Corporation;
- (d) subject to applicable law, obtain the prior approval of the Agent as to the content and form of any press release relating to the Offering or the Reverse Take-Over, such approval not to be unreasonably delayed or withheld;
- (e) following the satisfaction of the Escrow Release Conditions, use the net proceeds of the Offering for research and development, regulatory certifications, inventory, sales and marketing and general working capital purposes;
- (f) ensure that the Subscription Receipts on payment of the Offering Price therefor are duly authorized, created and validly issued to the Purchasers and to the Agent in accordance with the terms of the Subscription Agreements and this Agreement and have attributes corresponding in all material respects to the description set forth in this Agreement, the Subscription Agreements and the Subscription Receipt Agreement;
- (g) ensure that, in respect of the Subscription Receipts, at all times prior to the cancellation, repurchase or expiry thereof, sufficient Common Shares are allotted and reserved for issuance upon exercise of the Subscription Receipts;
- (h) ensure that the Common Shares comprising the SPARQ Units shall be duly authorized and validly issued as fully paid and non-assessable shares in the capital of the Corporation upon conversion of the Subscription Receipts in accordance with their terms;
- (i) ensure that the Warrants shall be duly authorized, created and validly issued and shall have attributes corresponding in all material respects to the description thereof set forth in this Agreement, the Subscription Agreements and the Warrant Indenture;
- (j) ensure that at all times prior to the expiry of the Warrants, a sufficient number of Warrant Shares are allotted and reserved for issuance upon the due exercise of the Warrants in accordance with their terms;
- (k) ensure that the Warrant Shares, upon the due exercise of the Warrants in accordance with their terms, shall be validly issued as fully paid and non-assessable shares in the capital of the Corporation on payment of the purchase price therefor;
- (l) ensure that the Compensation Options shall be duly authorized, created and validly issued and shall have attributes corresponding in all material respects to the description set forth in this Agreement and the Compensation Option Certificates;
- (m) ensure that at all times prior to the expiry of the Compensation Options, a sufficient number of Compensation Option Shares and Compensation Option Warrant Shares are allotted and reserved for issuance upon the due exercise of the Compensation Options and the Compensation Option Warrants in accordance with their terms;

- (n) ensure that, upon due exercise of the Compensation Options in accordance with their terms, the Compensation Option Shares shall be validly issued as fully paid and non-assessable shares in the capital of the Corporation on payment of the purchase price therefor;
- (o) ensure that the Compensation Option Warrants shall be duly authorized, created and validly issued and shall have attributes corresponding in all material respects to the description thereof set forth herein and in the Warrant Indenture;
- (p) ensure that at all times prior to the expiry of the Compensation Option Warrants, a sufficient number of Compensation Option Warrant Shares are allotted and reserved for issuance upon the due exercise of the Compensation Option Warrants in accordance with their terms;
- (q) ensure that, upon due exercise of the Compensation Option Warrants in accordance with their terms, the Compensation Option Warrant Shares shall be validly issued as fully paid and non-assessable shares in the capital of the Corporation on payment of the purchase price therefor;
- (r) execute and file with the Securities Regulators all forms, notices and certificates relating to the Offering required to be filed pursuant to the Securities Laws in the time required by applicable Securities Laws, including, for greater certainty, all forms, notices and certificates set forth in the opinions delivered to the Agent pursuant to this Agreement required to be filed by the Corporation;
- (s) following the date hereof, not complete the issuance of any Subscription Receipts to Direct Settlers without the prior written consent of the Agent, such consent not to be unreasonably withheld or delayed;
- (t) from the date hereof until 120 days following the date of Listing not, and will cause the Resulting Issuer to not, issue, agree to issue or announce an intention to issue, any additional equity or quasi-equity securities without the prior written consent of the Agent, such consent not to be unreasonably withheld, except in conjunction with: (i) the grant or exercise of stock options and other similar issuances pursuant to incentive plans of the Corporation or the Resulting Issuer, as applicable, and other share compensation arrangements in effect as of the Closing Date; (ii) the exercise or conversion of convertible securities outstanding on the Closing Date; (iii) obligations in respect of agreements existing on the Closing Date; (iv) the issuance of securities in connection with property or share acquisitions in the normal course of business; (v) the Offering; and (vi) the Reverse Take-Over;
- (u) until the completion of the Reverse Take-Over, not enter into any reorganizations without the consent of the Agent, such consent not to be unreasonably withheld;
- (v) file with the applicable Securities Regulators the Investor Presentation in accordance with the requirements of applicable Securities Laws;
- (w) include substantially the following language in any press release concerning the Offering:
 - (i) “Not for distribution to United States newswire services or for the dissemination in the United States”; and

- (ii) “This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or any state securities laws and may not be offered or sold within the United States or to U.S. persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.”
- (x) prior to the delivery of the Release Notice, cause each of the Persons agreed to between the Corporation and the Agent, for and on behalf of the Agent, to execute agreements (the “**Lock-Up Agreements**”) in favour of the Agent in the form agreed to between the Agent and the Corporation;
- (y) prior to the delivery of the Release Notice, cause Aird & Berlis LLP counsel to the Resulting Issuer, and where appropriate, counsel in the other Designated Provinces, which counsel in turn may rely, as to matters of fact, on certificates of auditors, public officials and officers of the Resulting Issuer, to provide to a legal opinion addressed to the Agent and the Purchasers, in form and substance satisfactory to the Agent, acting reasonably with respect to the following matters:
 - (i) the Resulting Issuer Shares and Resulting Issuer Warrants issuable to the former holders of Subscription Receipts, the Resulting Issuer Warrant Shares issuable upon exercise of the Resulting Issuer Warrants, the Resulting Issuer Compensation Options issuable in exchange for the Compensation Options, the Resulting Issuer Compensation Option Shares and Resulting Issuer Compensation Option Warrants issuable upon exercise of the Resulting Issuer Compensation Options and the Resulting Issuer Compensation Option Warrant Shares issuable upon exercise of the Resulting Issuer Compensation Option Warrants will not be subject to a restricted period or to a statutory hold period in Canada and the Resulting Issuer Shares, Resulting Issuer Warrants and the Resulting Issuer Warrant Shares, Resulting Issuer Compensation Option Shares and Resulting Issuer Compensation Option Warrant Shares, when issued, will be freely tradeable on the TSXV;
 - (ii) the issuance of the Resulting Issuer Shares and the Resulting Issuer Warrants to the former holders of Subscription Receipts, the Resulting Issuer Warrant Shares issuable upon exercise of the Resulting Issuer Warrants, the Resulting Issuer Compensation Options issuable in exchange for the Compensation Options, the Resulting Issuer Compensation Option Shares and Resulting Issuer Compensation Option Warrants issuable upon exercise of the Resulting Issuer Compensation Options and the Resulting Issuer Compensation Option Warrant Shares issuable upon exercise of the Resulting Issuer Compensation Option Warrants will be exempt from the prospectus requirements of the Securities Laws in the Designated Provinces and no documents are required to be filed, proceedings taken or approvals, permits, consents or authorizations obtained under such Securities Laws to permit such issuance; and
 - (iii) the first trade by the Purchasers or the Agent (as applicable) of Resulting Issuer Shares, Resulting Issuer Warrants, Resulting Issuer Warrant Shares, Resulting Issuer Compensation Options, Resulting Issuer Compensation Option Shares, Resulting Issuer Compensation Option Warrants and Resulting Issuer Compensation Option Warrant Shares, other than a trade which is otherwise

exempt under the applicable Securities Laws, will be a distribution and will be subject to the prospectus requirements under the Securities Laws of the Designated Provinces unless:

(1) at the time of such trade, the Resulting Issuer is and has been a reporting issuer in a jurisdiction of Canada for the four months immediately preceding the trade; (2) the trade is not a “control distribution” (as such term is defined in NI 45-102); (3) no unusual effort is made to prepare the market or to create a demand for the security that is the subject of such trade; (4) no extraordinary commission or consideration is paid to a person or corporation in respect of such trade; and (5) if the selling securityholder is an “insider” or “officer” of the Resulting Issuer (as such terms are defined under applicable Securities Laws), the selling securityholder has no reasonable grounds to believe that the Resulting Issuer is in default of “securities legislation” (as such term is defined in National Instrument 14-101 – “Definitions”;

- (z) until the earlier of (A) the satisfaction or waiver of the Escrow Release Conditions and (B) the Termination Date, the Corporation shall not permit any transfer of securities of the Corporation, and the board of directors of the Corporation shall not approve any such transfer of securities of the Corporation, without the prior written consent of the Agent, such consent not to be unreasonably withheld; and
- (aa) use its commercially reasonable efforts to satisfy the Escrow Release Conditions prior to the Escrow Release Deadline.

8. Covenants of MJ. MJ hereby covenants to the Agent and to the Purchasers and their permitted assigns, and acknowledges that each of them is relying on such covenants in connection with the purchase of the Subscription Receipts, that MJ (including its successors and assigns, if applicable) will:

- (a) allow the Agent and its representatives to conduct all due diligence regarding MJ which the Agent may reasonably require to be conducted prior to the Closing Date;
- (b) fulfill or cause to be fulfilled, at or prior to the Closing Time, each of the conditions set out in Section 13 related to MJ;
- (c) ensure that the Resulting Issuer Shares issued upon completion of the Amalgamation to the former holders of Subscription Receipts shall be duly authorized and validly issued as fully paid and non-assessable shares of the Resulting Issuer;
- (d) ensure that the Resulting Issuer Warrants issued upon completion of the Amalgamation shall be validly created and issued and shall have attributes corresponding in all material respects to the description thereof set forth in the Warrant Indenture;
- (e) ensure that at all times prior to the expiry of the Resulting Issuer Warrants, a sufficient number of Resulting Issuer Warrant Shares are allotted and reserved for issuance upon the due exercise of the Resulting Issuer Warrants in accordance with their terms;
- (f) ensure that the Resulting Issuer Warrant Shares, upon the due exercise of the Resulting Issuer Warrants in accordance with their terms, shall be validly issued as fully paid and non-assessable shares in the capital of the Resulting Issuer on payment of the purchase price therefor;

- (g) ensure that the Resulting Issuer Compensation Options, upon issuance, shall be duly authorized, created and validly issued and shall have substantially the same attributes as the Compensation Options, except that the Resulting Issuer Compensation Options will not be subject to any hold periods under Securities Laws in Canada;
- (h) ensure that the Resulting Issuer Compensation Options shall have attributes corresponding in all material respects to the description set forth in the certificates representing the Resulting Issuer Compensation Options;
- (i) ensure that at all times prior to the expiry of the Resulting Issuer Compensation Options, a sufficient number of Resulting Issuer Compensation Option Shares are allotted and reserved for issuance upon the due exercise of the Resulting Issuer Compensation Options in accordance with their terms;
- (j) ensure that, upon due exercise of the Resulting Issuer Compensation Options in accordance with their terms, the Resulting Issuer Compensation Option Shares shall be validly issued as fully paid and non-assessable shares in the capital of the Resulting Issuer on payment of the purchase price therefor;
- (k) ensure that the Resulting Issuer Compensation Option Warrants shall be validly created and issued and shall have attributes corresponding in all material respects to the description thereof set forth in the Compensation Option Certificates;
- (l) ensure that at all times prior to the expiry of the Resulting Issuer Compensation Option Warrants, a sufficient number of Resulting Issuer Compensation Option Warrant Shares are allotted and reserved for issuance upon the due exercise of the Resulting Issuer Compensation Option Warrants in accordance with their terms;
- (m) ensure that, upon due exercise of the Resulting Issuer Compensation Option Warrants in accordance with their terms, the Resulting Issuer Compensation Option Warrant Shares shall be validly issued as fully paid and non-assessable shares in the capital of the Resulting Issuer on payment of the purchase price therefor;
- (n) keep the Agent apprised of the progress and status of discussions with the TSXV relating to the Reverse Take-Over, including all favourable and adverse developments;
- (o) from the date hereof until 120 days following the date of Listing, not issue any additional equity or quasi-equity securities without prior written consent of the Agent, such consent not to be unreasonably withheld, except in conjunction with: (i) the grant or exercise of stock options and other similar issuances pursuant to incentive plans of MJ or the Resulting Issuer, as applicable, and other share compensation arrangements in effect as of the Closing Date or incentive plans or other share compensation arrangements that are adopted by the Resulting Issuer in connection with the Reverse Take-Over; (ii) the exercise or conversion of convertible securities outstanding on the Closing Date; (iii) obligations in respect of existing agreements on the Closing Date; (iv) the issuance of securities in connection with property or share acquisitions in the normal course of business; and (v) the Offering and the Reverse Take-Over;
- (p) provided that the Escrow Release Conditions are satisfied at or prior to the Escrow Release Deadline, for a period of 24 months after the date the Escrow Release Conditions are satisfied, use its commercially reasonable best efforts to maintain the Resulting Issuer's

status as a “reporting issuer” under the Securities Laws of at least one of the Designated Provinces not in default of any requirement of such Securities Laws, provided that this provision shall not be construed as limiting or restricting the Resulting Issuer from completing a consolidation, amalgamation, arrangement, sale of all or substantially all of the Resulting Issuer’s assets, takeover bid, merger or other transaction whereby the Resulting Issuer ceases to be a “reporting issuer; and

- (q) provided that the Escrow Release Conditions are satisfied on or before the Escrow Release Deadline, use its commercially reasonable efforts to ensure that the Resulting Issuer Shares and Resulting Issuer Warrants issued to the former holders of Subscription Receipts, the Resulting Issuer Warrant Shares issuable upon exercise of the Resulting Issuer Warrants, the Resulting Issuer Compensation Option Shares issuable upon exercise of the Resulting Issuer Compensation Options and the Resulting Issuer Compensation Option Warrant Shares issuable upon exercise of the Resulting Issuer Compensation Option Warrants are, when issued, listed and posted for trading on the TSXV.

9. Representations and Warranties of the Corporation. For the purposes of this section 9, references to the Corporation shall include the Corporation and its subsidiary Sparq USA. SPARQ represents and warrants to the Agent and to the Purchasers, and acknowledges that each of them is relying upon such representations and warranties in connection with the completion of the Offering, that:

- (a) the Corporation is a corporation duly incorporated, or formed, and organized and is validly existing under the laws of the jurisdiction in which it was incorporated, formed, amalgamated or continued, 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 Corporation;
- (b) the Corporation is duly qualified to carry on its business in each jurisdiction in which the conduct of its business or the ownership, leasing or operation of its Assets and Properties requires such qualification and has all requisite corporate power and authority to conduct its business and own, lease and operate its Assets and Properties and to execute, deliver and perform its obligations under the Transaction Documents, the Warrant Certificates, the Definitive Agreement and any other document, filing, instrument or agreement delivered in connection with the Offering and the Reverse Take-Over, as applicable;
- (c) other than Sparq USA, the Corporation (i) has no direct or indirect subsidiaries; or (ii) does not have any investment or proposed investment in any Person which would otherwise be material to the business and affairs of the Corporation on a consolidated basis;
- (d) SPARQ owns, directly or indirectly, all of the issued and outstanding shares of Sparq USA, all of the issued and outstanding shares of Sparq USA are issued as fully paid and non-assessable shares, in each case, free and clear of all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever and no Person has any agreement, option, right or privilege (whether pre-emptive or contractual) capable of becoming an agreement, for the purchase from SPARQ or Sparq USA of any interest in any of the shares or other interests in the capital of Sparq USA;
- (e) the Corporation conducts and has been conducting its business in compliance in all material respects with all applicable Laws of each jurisdiction in which its business is carried on or in which its services are provided and has not received a notice of non-compliance, nor knows of, nor has reasonable grounds to know of, any facts that could give rise to a notice

of non-compliance with any such Laws, and is not in breach or violation of any judgment, order or decree of any Governmental Authority having jurisdiction over the Corporation;

- (f) (i) the Corporation is the absolute legal and beneficial owner, and has good and valid title to, all of the material Assets and Properties thereof as described in the Due Diligence Materials, including all Contracts that are material to the Business, and no other material assets or properties are necessary for the conduct of the business of the Corporation as currently conducted and as presently proposed to be conducted, (ii) the Corporation does not know of any claim or the basis for any claim that might or could materially and adversely affect the right of the Corporation to use, transfer or otherwise exploit such Assets and Properties, and (iii) other than in the ordinary course of business, the Corporation does not have any responsibility or obligation to pay any commission, royalty, licence fee or similar payment to any Person with respect to the Assets and Properties thereof;
- (g) at the Closing Time, all consents, approvals, permits, authorizations or filings as may be required to be made or obtained by SPARQ under the Securities Laws necessary for the execution and delivery of Transaction Documents and the Warrant Certificates, as applicable, and the consummation of the transactions contemplated thereby will have been made or obtained, as applicable (other than the filing of reports required under applicable Securities Laws within the prescribed time periods, which documents shall be filed as soon as practicable after the Closing Date of or within such other deadline imposed by applicable Securities Laws;
- (h) the execution and delivery of each of the Transaction Documents, the Warrant Certificates and the Definitive Agreement and the performance by SPARQ of its obligations thereunder, the issue and sale of the Subscription Receipts and the Compensation Options and the consummation of the transactions contemplated in this Agreement, including the issuance and delivery of the Underlying Securities, do not and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, (whether after notice or lapse of time or both), (i) any statute, rule or regulation applicable to the Corporation, including, without limitation, the Securities Laws; (ii) the constating documents, by-laws or resolutions of the Corporation which are in effect at the date hereof; (iii) any mortgage, note, indenture, contract, agreement, joint venture, partnership, instrument, lease or other document to which the Corporation is a party or by which it is bound, other than in respect of contracts for which the Corporation is seeking consent in good faith in respect of the Reverse Take-Over; or (iv) any judgment, decree or order binding the Corporation or its respective Assets and Properties;
- (i) at the Closing Time, each of the Transaction Documents shall have been duly authorized and executed and delivered by SPARQ and upon such execution and delivery each shall constitute a valid and binding obligation of SPARQ and each shall be enforceable against SPARQ in accordance with its respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by applicable Law;
- (j) the Definitive Agreement has been duly authorized and executed and delivered by SPARQ and constitutes a valid and binding obligation of the Corporation enforceable against

SPARQ in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by applicable Law;

- (k) at the Closing Time, all necessary corporate action will have been taken by SPARQ to validly create and issue the Subscription Receipts and the Warrants and to validly approve the allotment of and reserve for issuance the Common Shares issuable upon conversion of the Subscription Receipts and the Warrant Shares upon exercise of the Warrants, and, upon the issuance thereof in accordance with the terms of the Subscription Receipts and the Warrants, respectively, such shares will be issued as fully paid and non-assessable shares in the capital of SPARQ and will not have been issued in violation of or subject to any pre-emptive rights or contractual rights to purchase securities issued by the Corporation;
- (l) at the Closing Time, all necessary corporate action will have been taken by SPARQ to validly create and issue the Compensation Options and the Compensation Option Warrants and to validly approve the allotment of and reserve for issuance the Compensation Option Shares issuable upon exercise of the Compensation Options and the Compensation Option Warrant Shares issuable upon exercise of the Compensation Option Warrants, and, upon the issuance thereof in accordance with the terms of the Compensation Options and the Compensation Option Warrants, respectively, such shares will be issued as fully paid and non-assessable shares in the capital of the Corporation and will not have been issued in violation of or subject to any pre-emptive rights or contractual rights to purchase securities issued by the Corporation;
- (m) TSX Trust Company, at its principal office in Toronto, Ontario, is appointed as the subscription receipt agent under the Subscription Receipt Agreement and as warrant agent under the Warrant Indenture;
- (n) there are no Contracts or agreements between the Corporation and any Person granting such Person the right to require the Corporation to file a registration statement under Securities Laws in the United States or a prospectus under Securities Laws in Canada, with respect to any securities of the Corporation owned or to be owned by such Person;
- (o) since December 31, 2020, there has not been any material change in the capital, assets, liabilities (absolute, accrued, contingent or otherwise) or obligations (absolute, accrued, contingent or otherwise) of the Corporation, on a consolidated basis, there has not been any material adverse change in the business, operations, condition or prospects (financial or otherwise) or results of the operations of the Corporation, on a consolidated basis, and to the best of the knowledge, information and belief of the Corporation, there have been no material facts, transactions, events or occurrences which could materially and adversely affect such capital, assets, liabilities (absolute, accrued, contingent or otherwise), obligations, business, operations, condition or prospects (financial or otherwise) of the Corporation;
- (p) the information and statements set forth in the Due Diligence Materials in respect of the Corporation do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

- (q) the Corporation has not approved, has not entered into any agreement in respect of, or has any knowledge of:
- (i) except in the ordinary course of business, 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 the Corporation whether by asset sale, transfer of shares or otherwise;
 - (ii) other than in respect of the Reverse Take-Over, the change of control (by sale or transfer of shares or sale of all or substantially all of the property and assets of the Corporation or otherwise) of the Corporation; or
 - (iii) any proposed or planned disposition of shares by any shareholder who owns, directly or indirectly, 10% or more of the outstanding shares of the Corporation;
- (r) on the date hereof, other than as disclosed in the Financial Statements, the Corporation has no Indebtedness except for indebtedness owed directly to vendors, consultants, suppliers and service providers that was incurred in the ordinary course of business or in connection with the Corporation's establishment of its operations in pursuit of the Business;
- (s) all taxes (including income tax, capital tax, payroll taxes, employer health tax, workers' compensation payments, property taxes and land transfer taxes), duties, royalties, levies, imposts, assessments, deductions, charges or withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto (collectively, "**Taxes**") due and payable or required to be collected or withheld and remitted, by the Corporation have been paid, collected or withheld and remitted as applicable, except for where the failure to pay such Taxes would not have a Material Adverse Effect. All tax returns, declarations, and filings required to be filed by the Corporation have been filed with all appropriate Governmental Authorities, except where the failure to file such documents would not have a Material Adverse Effect, and all such returns, declarations and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading. To the knowledge of the Corporation, no examination of any tax return of the Corporation 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 the Corporation. There are no agreements, waivers or other arrangements with any Governmental Authority providing for an extension of time for any assessment or reassessment of taxes with respect to the Corporation;
- (t) the Corporation has established on its books and records reserves that are adequate for the payment of all material Taxes not yet due and payable and there are no liens for Taxes on the assets of the Corporation that are material, and, to the knowledge of the Corporation, there are no audits pending of the tax returns of the Corporation (whether federal, state, provincial, local or foreign) and there are no claims which have been or may be asserted relating to any such tax returns, which audits and claims, if determined adversely, would result in the assertion by any Governmental Authority of any deficiency that would result in a Material Adverse Effect;
- (u) the Corporation maintains a system of internal accounting controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit

preparation of financial statements in conformity with IFRS and to maintain accountability for assets; and (iii) access to assets is permitted only in accordance with management's general or specific authorization;

- (v) the authorized capital of the Corporation consists of an unlimited number of Common Shares, an unlimited number of class A preferred shares and class B preferred shares issuable in series, of which, assuming the completion of the SPARQ Consolidation, 60,000,000 Common Shares, nil class A preferred shares and nil class B preferred shares are issued and outstanding as fully paid and non-assessable shares in the capital of the Corporation; and, except for the issuance of 18,000,000 Common Shares issuable to Praveen Jain and certain eligible employees immediately prior to the closing of the Reverse Take-Over pursuant to the articles of the Corporation, there are no options, warrants or other securities convertible into, or exchangeable or exercisable for, Common Shares, nor any agreements, rights or privileges (whether at law, pre-emptive or contractual) capable of becoming an agreement for the purchase, subscription or issuance of, or conversion into, any unissued Common Shares, securities, warrants or convertible obligations of any nature of the Corporation, other than the pre-emptive rights contained in the Shareholders' Agreement.
- (w) none of the outstanding securities of the Corporation were issued in violation of any pre-emptive or similar rights of any securityholder of the Corporation, including such rights contained in the Shareholders' Agreement, and as at the Closing Date no securityholder of the Corporation will have any such right in respect of the Subscription Receipts, the Compensation Options or any Underlying Securities;
- (x) at the Closing Time, no rights to acquire, or instruments convertible into or exchangeable for, any shares in the capital of the Corporation will be outstanding and no Person has any agreement, option, right or privilege (contractual or otherwise) capable of becoming an agreement for the purchase or acquisition of any interest in the shares or other securities of the Corporation, in each case other than as disclosed in this Agreement;
- (y) no legal or governmental actions, suits, judgments, investigations or proceedings are pending to which the Corporation or the directors, officers or employees of the Corporation are a party or to which the Corporation's property or assets are subject which if finally determined adversely to the Corporation would be expected to result in a Material Adverse Effect and, to the knowledge of the Corporation, no such proceedings have been threatened against or are pending with respect to the Corporation, or with respect to their respective property and assets and the Corporation are 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;
- (z) the Corporation is not (i) in violation of its constating documents or (ii) in default of the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, trust deed, joint venture, mortgage, loan agreement, note, lease or other agreement or instrument to which it is a party or by which it or its property may be bound;
- (aa) to the knowledge of the Corporation, no counterparty to a Contract of the Corporation is in material default or breach of such Contract and there exists no condition, event or act which, with the giving of notice or lapse of time or both would constitute a material default

or breach by such party under any such Contract which would give rise to a right of termination on the part of such party to such Contract;

- (bb) the audited consolidated financial statements of the Corporation as at and for the year ended December 31, 2020 and 2019, and the unaudited interim financial statements of the Corporation for the nine-month period ended September 30, 2021 (collectively, the “**Financial Statements**”) prepared in accordance with Canadian Accounting Standards for Private Enterprises, contain no misrepresentations and present fairly, in all material respects, the financial condition of the Corporation as at the dates thereof and the results of the operations and cash flows of the Corporation for the period then ended and contain and reflect adequate provisions or allowance for all reasonably anticipated liabilities, expenses and losses of the Corporation that are required to be disclosed in such financial statements and there has been no material change in accounting policies or practices of the Corporation since December 31, 2020;
- (cc) since December 31, 2020, there has been no change in the condition (financial or otherwise), or in the business, capital, affairs, operations, properties, assets, or liabilities of the Corporation, whether or not arising in the ordinary course of business, which would have a Material Adverse Effect;
- (dd) the description of the assets and liabilities (absolute, accrued, contingent or otherwise) of the Corporation set forth in the Financial Statements fairly represents, in accordance with IFRS, the financial position and condition of the Corporation (taken as a whole) at the dates thereof and reflects all material liabilities (absolute, accrued, contingent or otherwise) of the Corporation, on a consolidated basis, as at the dates thereof and the Corporation, on a consolidated basis, have no additional material liabilities (absolute, accrued, contingent or otherwise) which are not set forth in the Financial Statements and the assets of the Corporation, on a consolidated basis, are in all material respects as set forth in the Financial Statements;
- (ee) there is no material fact known to the Corporation which the Corporation has not disclosed to the Agent which materially adversely affects, or would reasonably be expected to materially adversely affect, the assets, liabilities (contingent or otherwise), affairs, business, prospects, operations or condition (financial or otherwise) of the Corporation, on a consolidated basis, or the ability of the Corporation to perform its obligations under the Transaction Documents and the Definitive Agreement;
- (ff) since December 31, 2020: (i) the Corporation has not paid or declared any dividend or incurred any material capital expenditure or made any commitment therefor; (ii) the Corporation has not incurred any obligation or liability, direct or indirect, contingent or otherwise, except in the ordinary course of business or which in the aggregate are not material; and (iii) other than the proposed Reverse Take-Over, the Corporation has not entered into any material transactions except in the ordinary course of business;
- (gg) the statements set forth in the Investor Presentation in relation to the Offering and the Corporation are true and correct in all material respects and do not contain any misrepresentation;
- (hh) no material fact has been omitted from the Investor Presentation that is required to be stated in the document or is necessary to make the statements made therein in relation to the

Offering and the Corporation not misleading in light of the circumstances in which they were made;

- (ii) to the knowledge of the Corporation, the Investor Presentation complies in all material respects with applicable Securities Laws;
- (jj) to the knowledge of the Corporation, the statistical, industry and market related data included in the Investor Presentation are derived from sources which the Corporation reasonably believes to be accurate, reasonable and reliable, and such data agrees with the sources from which it was derived;
- (kk) the Corporation has operated and is currently in material compliance with all applicable rules, regulations and policies of Governmental Authority having jurisdiction over the Corporation and its respective activities and the Corporation is in full compliance with industry specific standards set by all relevant organizations, which pertains to the Business and the products of the Corporation have met and satisfied all product safety standards necessary to permit the sale thereof in each jurisdiction in which such products are sold;
- (ll) the Corporation's manufacturing facilities comply in all material respects with applicable good manufacturing practices as required by applicable Governmental Authority;
- (mm) the Corporation (i) is and at all times has been in compliance in all material respects with all applicable Laws; (ii) has not received any correspondence or notice from any Governmental Authority alleging or asserting non-compliance with any applicable Laws or any licences, certificates, approvals, clearances, authorizations, permits, qualifications, consents and supplements or amendments thereto required by any such applicable Laws, (collectively, "**Authorizations**"); (iii) possesses all Authorizations required for the conduct of the Business except for those Authorizations which, if not held, could not reasonably be expected to have a Material Adverse Effect, and such Authorizations are valid and in good standing and in full force and effect and the Corporation is not in violation of any term of any such Authorization, except where such violation could not reasonably be expected to have a Material Adverse Effect; (iv) has not received notice of any pending or threatened claim, suit, proceeding, hearing, enforcement, audit, investigation, arbitration or other action from any Governmental Authority or third party alleging that any operation or activity of the Corporation is in violation of any applicable Laws or Authorizations and has no knowledge or reason to believe that any such Governmental Authority or third party is considering any such claim, suit, proceeding, hearing, enforcement, audit, investigation, arbitration or other action; (v) 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/or will not grant any required Authorization and has no knowledge or reason to believe that any such Governmental Authority is considering such action; and (vi) 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);
- (nn) the Corporation has sufficient rights to use all of the Intellectual Property necessary in the operation of the Business, except where the failure to hold such rights would not result in a Material Adverse Effect. All material registrations of the Intellectual Property owned by

the Corporation (“**Owned IP**”) are in good standing. To the knowledge of the Corporation, there are no pending actions or proceedings, nor any threatened actions or proceedings, against any Person with respect to the use of any Owned IP and there are no circumstances which cast doubt on the validity or enforceability of such Owned IP. The conduct of the Business does not, to the knowledge of the Corporation, infringe upon the intellectual property rights of any other Person. The Corporation is not aware of any pending action or proceeding, nor, to the knowledge of the Corporation, any threatened action or proceeding, against the Corporation with respect to the Corporation’s use of any Intellectual Property necessary in the operation of the Business;

- (oo) there are no material third party consents required to be obtained in order for the Corporation to create and issue the Subscription Receipts and the Compensation Options other than those which have been obtained;
- (pp) no order, ruling or determination having the effect of suspending the sale or ceasing the trading in any securities of the Corporation has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or, to the knowledge of the Corporation, are pending, contemplated or threatened by any regulatory authority;
- (qq) other than transfer restrictions under the Corporation’s articles and as set forth in the Shareholders’ Agreement, there are no voting trusts or agreements, shareholders’ agreements, buy sell agreements, rights of first refusal agreements, agreements relating to restrictions on transfer, pre-emptive rights agreements, tag-along agreements, drag along agreements, proxies relating to any of the securities of the Corporation or any agreement which in any manner affects or will affect to the voting or control of any securities of the Corporation, to which the Corporation is a party;
- (rr) except as disclosed in the Due Diligence Materials in respect of the Corporation, there is no agreement, plan or practice relating to the payment of any management, consulting, service or other fee or any bonus, pensions, share of profits or retirement allowance, insurance, health or other employee benefit other than in the ordinary course of business;
- (ss) no union has been accredited or otherwise designated to represent any employees of the Corporation and, to the knowledge of the Corporation, no accreditation request or other representation question is pending with respect to the employees of the Corporation and no collective agreement or collective bargaining agreement or modification thereof has expired or is in effect in any of the facilities of the Corporation and none is currently being negotiated by the Corporation;
- (tt) the Corporation is in compliance in all material respects with all Laws respecting employment and employment practices, terms and conditions of employment, pay equity and wages and have not and are not engaged in any unfair labour practice;
- (uu) the Corporation does not have any agreement or plan for retirement, bonus, stock purchase, profit sharing, stock option (other than the Corporation’s stock option plan), deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, incentive or otherwise contributed to, or required to be contributed to, by the Corporation for the benefit of any current or former director, officer, employee or consultant of the Corporation (the “**Employee Plans**”), each of which have been

maintained in all material respects with its terms and with the requirements prescribed by any and all Laws that are applicable to such Employee Plans;

- (vv) no current or former employee, officer or director of the Corporation is entitled to a severance, termination or similar payment as a result of the Reverse Take-Over;
- (ww) except for the Agent, no Person is entitled to: (i) a payment under a Contract with the Corporation as a result of the Offering or the Reverse Take-Over; or (ii) terminate a Contract with the Corporation as a result of the Reverse Take-Over;
- (xx) no material labour dispute with current and former employees of the Corporation exists, or, to the knowledge of the Corporation, is imminent and the Corporation is not aware of any existing, threatened or imminent labour disturbance by the employees of any of the principal suppliers, manufacturers or contractors of the Corporation;
- (yy) except for such matters as would not, individually or in the aggregate, have a Material Adverse Effect, no existing supplier, distributor, service provider, manufacturer or contractor of the Corporation has indicated that it intends to terminate its relationship with the Corporation or that it will be unable to meet the Corporation's supply, distribution, service, manufacturing or contracting requirements;
- (zz) to the knowledge of the Corporation, none of the directors, officers or employees of the Corporation or any associate or affiliate of any of the foregoing have any material interest, direct or indirect, in any material transaction or any proposed transaction with the Corporation that materially affects, is material to or will materially affect the Corporation;
- (aaa) with respect to the premises of the Corporation which is material to the Corporation on a consolidated basis and which the Corporation occupies as tenant (the "**Leased Premises**"), the Corporation occupies the Leased Premises and has the exclusive right to occupy and use the Leased Premises and each of the leases pursuant to which the Corporation occupies the Leased Premises is in good standing and in full force and effect;
- (bbb) the Corporation does not own any real property;
- (ccc) the Corporation's insurance policies are valid and enforceable and in full force and effect, are underwritten by unaffiliated and reputable insurers, are sufficient for all applicable requirements of law and provide insurance, including liability and product liability insurance, in such amounts and against such risks as is customary for corporations engaged in businesses similar to that carried on by the Corporation. The Corporation is not in default in any material respect with respect to the payment of any premium or compliance with any of the provisions contained in any such insurance policy and have not failed to give any notice or present any claim within the appropriate time therefor. There are no circumstances under which the Corporation would be required to or, in order to maintain its coverage, should give any notice to the insurers under any such insurance policy which has not been given. The Corporation has not received notice from any of the insurers regarding cancellation of such insurance policy;
- (ddd) the minute books and records of the Corporation made available to counsel for the Agent in connection with the due diligence investigation of the Corporation for the period from the date of incorporation to the date hereof are all of the minute books of the Corporation and contain copies of all material proceedings (or certified copies thereof or drafts thereof

pending approval) of the shareholders, the directors and all committees of directors of the Corporation to the date hereof and there have been no other meetings, resolutions or proceedings of the shareholders, directors or any committees of the directors of the Corporation to the date hereof not reflected in such minute books;

- (eee) (i) the Corporation, its Assets and Properties and the operation of the Business, has been and is, to the knowledge of the Corporation, in compliance in all material respects with all Environmental Laws; (ii) the Corporation is not in violation of any regulation relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products (collectively, “**Hazardous Materials**”); (iii) the Corporation has complied in all material respects with all reporting and monitoring requirements under all Environmental Laws; (iv) the Corporation has never received any notice of any material non-compliance in respect of any Environmental Laws; (v) there are no events or circumstances that might reasonably be expected to form the basis of an order for clean up or Remediation, or an action, suit or proceeding by any private party or governmental body or agency, against or affecting the Corporation relating to Hazardous Materials or any Environmental Laws; and (vi) there are no Environmental Permits necessary to conduct the Business;
- (fff) all information which has been prepared by the Corporation relating to the Corporation, the Business and the Corporation’s property and liabilities and made available to the Agent, including all financial, marketing, sales and operational information related to the Corporation and the Business provided to the Agent was, as of the date of such information, true and correct in all material respects, taken as a whole, and no fact or facts have been omitted therefrom which would make such information materially misleading and did not contain a misrepresentation;
- (ggg) other than the Agent, there is no Person acting or purporting to act at the request or on behalf of the Corporation that is entitled to any brokerage or finder’s fee or other compensation in connection with the transactions contemplated by this Agreement;
- (hhh) a true and complete copy of the Definitive Agreement has been provided to the Agent;
- (iii) to the knowledge of the Corporation, there has been no (i) actual or alleged breach or default by any party of any provisions of the Definitive Agreement and no event, condition, or occurrence exists which after the notice or lapse of time (or both) would constitute a breach or default by any party to the Definitive Agreement; or (ii) dispute, termination, cancellation, or renegotiation of the Definitive Agreement, and, to the knowledge of the Corporation, no state of facts giving rise to any of the foregoing exists;
- (jjj) the TSXV has conditionally approved the Reverse Take-Over as the Qualifying Transaction (as defined in the TSXV Policy 2.4 - Capital Pool Companies) of the Corporation and the listing of the Resulting Issuer Shares, the Resulting Issuer Warrants (including the Resulting Issuer Warrant Shares issuable upon exercise of the Resulting Issuer Warrants), the Resulting Issuer Compensation Option Shares issuable upon exercise of the Resulting Issuer Compensation Options and the Resulting Issuer Compensation Option Warrant Shares issuable upon exercise of the Resulting Issuer Compensation Option Warrants are, when issued, have conditionally been approved, subject to the Corporation fulfilling all requirements of the TSXV set out in the conditional approval letter within the time specified therein; and

- (kkk) to the knowledge of the Corporation, no event has occurred or condition exists which will reasonably prevent the Reverse Take-Over from being completed prior to the Escrow Release Deadline.

10. Representations and Warranties of MJ. MJ represents and warrants to the Agent and to the Purchasers, and acknowledges that each of them is relying upon such representations and warranties in connection with the completion of the Offering, that:

- (a) each of MJ and Subco has been duly incorporated, or formed, and organized and is validly existing under the laws of the jurisdiction in which it was incorporated, formed, amalgamated or continued, 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 MJ or Subco;
- (b) each of MJ and Subco is duly qualified to carry on its business in each jurisdiction in which the conduct of its business or the ownership, leasing or operation of its Assets and Properties requires such qualification and has all requisite corporate power and authority to conduct its business and own, lease and operate its Assets and Properties and to execute, deliver and perform its obligations under the Transaction Documents to which it is a party, the Definitive Agreement and any other document, filing, instrument or agreement delivered in connection with the Offering and the Reverse Take-Over;
- (c) the MJ Common Shares are listed and posted for trading on the TSXV and MJ is in compliance in all material respects with the current listing requirements and all other applicable rules and regulations of the TSXV and has not taken any action which would be reasonably expected to result in the delisting or suspension of the MJ Common Shares on or from the TSXV.
- (d) MJ is a “reporting issuer” within the meaning of applicable Securities Laws in the Provinces of British Columbia, Alberta and Ontario, is in good standing and is not included in a list of defaulting reporting issuers maintained by the applicable Securities Regulators in such provinces, and is in compliance, in all material respects, with all of its obligations as a reporting issuer and has not been the subject of any investigation by any stock exchange or any Securities Regulator, other than as publicly disclosed, is current with all filings required to be made by it under Securities Laws and other Laws, is not aware of any deficiencies in the filing of any documents or reports with any Securities Regulators and there is no material change relating to MJ which has occurred and with respect to which the requisite news release or material change report has not been filed with the Securities Regulators, and no securities commission, securities exchange or court has issued any order or obtained any undertaking that adversely impacts, delays or prevents, or that could adversely impact, delay or prevent, the Reverse Take-Over, as currently contemplated and MJ does not have any confidential filings with any applicable Securities Regulators;
- (e) the authorized capital of MJ consists of an unlimited number of MJ Common Shares of MJ, of which, immediately prior to the closing of the Offering, 3,055,940 MJ Common Shares will be issued and outstanding and except for stock options granted under MJ’s stock option plan exercisable into 305,000 MJ Common Shares, no other MJ Common Shares or Consolidated MJ Shares are or will be reserved for issuance or be issuable, whether pursuant to any convertible securities of MJ or otherwise prior to the completion of the Reverse Take-Over;

- (f) no rights to acquire, or instruments convertible into or exchangeable for, any shares in the capital of either MJ or Subco will be outstanding immediately prior to the completion of the Reverse Take-Over and no Person has or will have any agreement, option, right or privilege (contractual or otherwise) capable of becoming an agreement for the purchase or acquisition of any interest in the shares or other securities of MJ or Subco other than pursuant to the Reverse Take-Over as described in this Agreement or the Definitive Agreement;
- (g) other than Subco, MJ has no direct or indirect subsidiaries nor any investment or proposed investment in any Person and, other than the Definitive Agreement and as described therein, MJ is not party to any agreement, option or commitment to acquire any shares or securities of any Person;
- (h) MJ owns, directly or indirectly, all of the issued and outstanding shares of Subco, all of the issued and outstanding shares of Subco are issued as fully paid and non-assessable shares, in each case, free and clear of all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever and no Person has any agreement, option, right or privilege (whether pre-emptive or contractual) capable of becoming an agreement, for the purchase from MJ or Subco of any interest in any of the shares or other interests in the capital of Subco;
- (i) MJ has the corporate power, authority and capacity to enter into each of the Transaction Documents to which it is a party, the certificates representing the Resulting Issuer Warrants, if any, the certificates representing the Resulting Issuer Compensation Options, the certificates representing the Resulting Issuer Compensation Option Warrants, if any, and to perform and carry out the transactions contemplated hereby and thereby and the execution and delivery of the Transaction Documents to which it is a party and the Definitive Agreement and the completion of the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary corporate action on the part of MJ, subject to the receipt of all requisite shareholder approvals of MJ described in the Definitive Agreement;
- (j) upon the completion of the Reverse Take-Over, all consents, approvals, permits, authorizations or filings as may be required under Securities Laws necessary for the execution and delivery of the Definitive Agreement and the consummation of the transactions contemplated thereby will have been made or obtained, as applicable, other than any filings required to be submitted within the applicable time frame pursuant to applicable Securities Laws and other customary post-closing filings;
- (k) each of the execution and delivery of the Transaction Documents to which MJ is a party and the performance by MJ of its obligations thereunder, and the consummation of the transactions contemplated hereby and thereby do not and will not conflict with or result in a breach or violation of any of the terms of or provisions of, or constitute a default under (whether after notice or lapse of time or both), (i) any statute, rule or regulation applicable to MJ, including Securities Laws and the securities laws of any other province in which MJ is a “reporting issuer”; (ii) the constating documents, articles or resolutions of MJ which are in effect at the date of hereof; (iii) any Contract to which MJ is a party or by which MJ is bound; or (iv) any judgment, decree or order binding MJ or the property or assets of MJ;
- (l) there is no Person acting or purporting to act at the request of MJ who is entitled to any brokerage, agency, finders, fiscal advisory or similar fee in connection with the Offering,

the Reverse Take-Over or the other transactions contemplated herein and in the Definitive Agreement;

- (m) all necessary corporate action has been taken or will have been taken prior to the completion of the Reverse Take-Over by MJ so as to: (i) validly issue the Resulting Issuer Shares to the former holders of Subscription Receipts as fully paid and non-assessable shares of the Resulting Issuer; (ii) validly create, authorize and issue the Resulting Issuer Warrants to be issued to the former holders of Warrants; (iii) validly create, authorize and issue the Resulting Issuer Compensation Options to be issued in exchange for the Compensation Options pursuant to the Reverse Take-Over; and (iv) allot, reserve and authorize the creation (if applicable), and issuance of the Resulting Issuer Warrant Shares issuable upon the exercise of the Resulting Issuer Warrants, the Resulting Issuer Compensation Option Shares and Resulting Issuer Compensation Option Warrants issuable upon exercise of the Resulting Issuer Compensation Options, and the Resulting Issuer Compensation Option Warrant Shares issuable upon exercise of the Resulting Issuer Compensation Option Warrants, and, upon the issuance of the Resulting Issuer Warrant Shares in accordance with the terms of the Resulting Issuer Warrants, the Resulting Issuer Compensation Option Shares in accordance with the terms of the Resulting Issuer Compensation Options and the Resulting Issuer Compensation Option Warrant Shares in accordance with the terms of the Resulting Issuer Compensation Option Warrants, such shares shall be issued as fully paid and non-assessable shares of the Resulting Issuer;
- (n) at the Closing Time, each of the Transaction Documents to which MJ is a party shall have been duly authorized and executed and delivered by MJ and upon such execution and delivery each shall constitute a valid and binding obligation of MJ and each shall be enforceable against MJ in accordance with its respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by applicable Law;
- (o) the Definitive Agreement has been duly authorized and executed and delivered by MJ and constitutes a valid and binding obligation of MJ enforceable against MJ in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by applicable Law;
- (p) there is no bankruptcy, liquidation, winding-up or other similar proceeding pending or in progress or, to the knowledge of MJ, threatened of or against MJ or Subco before any court, regulatory or administrative agency or tribunal;
- (q) no legal or governmental actions, suits, judgments, investigations or proceedings are pending to which MJ or Subco or the directors, officers or employees of MJ or Subco are a party or to which MJ's or Subco's property or assets are subject which if finally determined adversely to MJ or Subco would be expected to result in a Material Adverse Effect and, to the knowledge of MJ, no such proceedings have been threatened against or are pending with respect to MJ or Subco, or with respect to their respective property and assets and neither MJ nor Subco are 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;

- (r) no order, ruling or determination having the effect of suspending the sale or ceasing the trading in any securities of MJ or Subco has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or, to the knowledge of MJ, are pending, contemplated or threatened by any regulatory authority;
- (s) the audited financial statements of MJ for the years ended June 30, 2021 and 2020 (i) have been prepared in accordance with IFRS applicable to publicly accountable enterprises, and (ii) fairly present, in all material respects, the financial position, results of operations, the changes in its financial position and cash flows of MJ as of the dates thereof and for the periods covered thereby;
- (t) since June 30, 2021: (i) there has not been any material change in the business, assets, liabilities, obligations (absolute, accrued, contingent or otherwise), condition (financial or otherwise), prospects or results of operations of MJ; (ii) there has not been any material change in the equity capital or long-term debt of MJ; and (iii) the only expenses and obligations incurred by MJ are those related to general administrative expenses, expenses associated with being a public company, expenses associated with the Offering and the Reverse Take-Over, and expenses associated with the identification and evaluation of a new business opportunity for the purpose of acquisition or participation;
- (u) since incorporation, MJ has not carried on any active business and its primary operation has been the identification and evaluation of a new business opportunity for the purpose of completion of a Qualifying Transaction;
- (v) other than the Definitive Agreement, neither MJ nor Subco is party to or bound by any material Contract or any employment Contracts as of the date hereof;
- (w) MJ is not a party to any Debt Instrument nor any Contract to create, assume or issue any Debt Instrument, nor does MJ have any loans or other indebtedness outstanding which has been made to any of its shareholders, officers, directors or employees, past or present, or any person not dealing at “arm’s length” (as such term is defined in the Tax Act) with MJ;
- (x) no current or former employee, officer or director of MJ or Subco is entitled to a severance, termination or similar payment as a result of the Reverse Take-Over;
- (y) no Person would be entitled to a payment under a Contract with MJ or Subco as a result of the Offering or the Reverse Take-Over;
- (z) MJ has not approved, contemplated or entered into any agreement in respect of, nor has any knowledge 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 MJ whether by asset sale, transfer of shares or otherwise; (b) other than pursuant to the Reverse Take-Over, the change of control by sale or transfer of shares or sale of all or substantially all of the property and assets of MJ; or (c) a proposed or planned disposition of shares by any shareholder who owns, directly or indirectly, 10% or more of the outstanding shares of MJ (other than as a result of the Reverse Take-Over);

- (aa) the minute books and records of MJ and Subco made available to counsel for the Agent in connection with the due diligence investigation of MJ and Subco for the period from the date of incorporation to the date hereof are all of the minute books of MJ and Subco and contain copies of all material proceedings (or certified copies thereof or drafts thereof pending approval) of the shareholders, the directors and all committees of directors of MJ and Subco to the date hereof and there have been no other meetings, resolutions or proceedings of the shareholders, directors or any committees of the directors of MJ and Subco to the date hereof not reflected in such minute books except those which would not be expected to have a Material Adverse Effect;
- (bb) all documents and information filed by MJ on SEDAR since June 30, 2019, contain all material facts pertaining to the securities of MJ and does not omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading. MJ has been in compliance in all material respects with its timely and continuous disclosure obligations under applicable securities laws in Canada, and, without limiting the generality of the foregoing, there has been no material change or material fact as to MJ that has occurred which has not been publicly disclosed. MJ has not filed any confidential material change reports which remain confidential as at the date hereof and there are no circumstances presently existing under which liability is or would reasonably be expected to be incurred under Part XXIII – Civil Liability for Secondary Market Disclosure of the Securities Act (Ontario) and analogous provisions under applicable Securities Laws in the Provinces of Alberta and British Columbia;
- (cc) MJ has established on its books and records reserves that are adequate for the payment of all material Taxes not yet due and payable and there are no liens for Taxes on the assets of MJ, and there are no audits pending of the tax returns of MJ (whether federal, state, provincial, local or foreign) and there are no claims which have been or may be asserted relating to any such tax returns, which audits and claims, if determined adversely, would result in the assertion by any governmental agency of any deficiency that would result in a Material Adverse Effect;
- (dd) no information relating to MJ and Subco provided to the Agent contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. There is no material fact known to MJ which MJ has not disclosed to the Agent which materially adversely affects, or so far as MJ can now reasonably foresee, will materially adversely affect, the assets, liabilities (contingent or otherwise), affairs, business, operations or condition (financial or otherwise) of MJ and Subco, on a consolidated basis, or the ability of MJ to perform its obligations under the Transaction Documents to which it is a party and the Definitive Agreement;
- (ee) Subco was incorporated for the sole purpose of completing the transactions contemplated by the Definitive Agreement and has no active operations;
- (ff) Subco: (i) does not own any property or assets or have any right or obligations to acquire any assets; (ii) has no liabilities or obligations of any nature (whether absolute, accrued, contingent or otherwise); and (iii) does not have any obligation to issue any Debt Instruments;

- (gg) other than for the purposes of the transactions contemplated by the Definitive Agreement, since the date of incorporation of Subco: (a) Subco has not conducted any business; (b) there has not occurred one or more changes, events or occurrences which would, individually or in the aggregate, be reasonably likely to result in a Material Adverse Effect; (c) Subco has not incurred any liabilities, indebtedness or obligations of any nature (whether accrued, absolute, contingent or otherwise); and (d) there has not been any incurrence, assumption or guarantee by Subco of any debt for borrowed money, any creation or assumption by Subco of any Encumbrance, or any making by Subco of any loan, advance or capital contribution to or investment in any other Person;
- (hh) a true and complete copy of the Definitive Agreement has been provided to the Agent;
- (ii) to the knowledge of MJ, there has been no (i) actual or alleged breach or default by any party of any provisions of the Definitive Agreement and no event, condition, or occurrence exists which after the notice or lapse of time (or both) would constitute a breach or default by any party to the Definitive Agreement; or (ii) dispute, termination, cancellation, or renegotiation of the Definitive Agreement, and, to the knowledge of MJ, no state of facts giving rise to any of the foregoing exists; and
- (jj) to the knowledge of MJ, no event has occurred or condition exists which will reasonably prevent the Reverse Take-Over from being completed prior to the Escrow Release Deadline.

11. Covenants of the Agent. The Agent hereby represents and covenants to the Corporation and MJ, that:

- (a) the Agent will use its commercially reasonable efforts to arrange for Purchasers in the Selling Jurisdictions;
- (b) the Agent has complied and will comply, and shall require any investment dealer or broker, other than the Agent, with which the Agent have a contractual relationship in respect of the sale of the Subscription Receipts (each a “**Selling Firm**”) to comply, with all applicable Securities Laws in connection with the sale of the Subscription Receipts, and shall offer the Subscription Receipts for sale directly and through Selling Firms upon the terms and conditions set out in this Agreement. The Agent has offered and will offer, and shall require any Selling Firm to offer, the Subscription Receipts for sale and sell the Subscription Receipts only in those jurisdictions where they may be lawfully offered for sale or sold (being the Selling Jurisdictions). Any Selling Firm appointed by the Agent shall be compensated by the Agent from its compensation hereunder. The Agent shall use its best efforts to ensure that any Selling Firm appointed pursuant to this Agreement complies with the covenants and obligations of the Agent hereunder;
- (c) the Agent shall, and shall require any Selling Firm to agree to, offer the Subscription Receipts in a manner which complies with and observes all applicable Laws and regulations in each jurisdiction into and from which they may offer to sell the Subscription Receipts;
- (d) the Agent and its representatives (including any Selling Firms) have not engaged in or authorized, and will not engage in or authorize, any form of general solicitation or general advertising in connection with or in respect of the Subscription Receipts in any newspaper, magazine, printed media of general and regular paid circulation or any similar medium, or

broadcast over radio, television or otherwise or conducted any seminar or meeting concerning the offer or sale of the Subscription Receipts whose attendees have been invited by any general solicitation or general advertising;

- (e) the Agent has not and will not (and has required and shall require any Selling Firm not to):
 - (i) solicit offers to purchase or sell the Subscription Receipts in any jurisdiction other than the Selling Jurisdictions or so as to require the filing of a prospectus, listing statement, registration statement or offering memorandum or similar document with respect thereto or the provision of a contractual right of action (as defined in Ontario Securities Commission Rule 14-501) or a statutory right of action under the Laws of any jurisdiction, other than the Investor Presentation; or (ii) provide prospective Purchasers with any document or other material that would constitute an offering memorandum within the meaning of applicable Securities Laws, other than the Investor Presentation;
- (f) the Agent and each Selling Firm are duly registered as an investment dealer or exempt market dealer pursuant to the provisions of Securities Laws in those jurisdictions in Canada in which it is required to be so registered or licensed in order to perform the services contemplated by this Agreement, or if or where not so registered or licensed, the Agent will act only through Selling Firms who are so registered or licensed; and
- (g) the Agent will use its commercially reasonable efforts to obtain a duly completed and executed Subscription Agreement and all applicable undertakings and other forms required under Securities Laws for the purchase and sale of the Subscription Receipts from each Purchaser.

12. Closing Deliveries. The purchase and sale of the Subscription Receipts shall be completed at the Closing Time and held electronically or at such other place as the Agent and the Corporation may agree upon in writing. At the Closing Time: (i) other than in respect of the Direct Settlers, the Corporation shall issue the Subscription Receipts in certificated form and/or in accordance with the “non-certificated inventory” rules and procedures of CDS, and shall direct CDS to credit the Subscription Receipts to the accounts of participants of CDS as designated by the Agent, against payment to the Subscription Receipt Agent (to be held in escrow in accordance with the terms of the Subscription Receipt Agreement) of the aggregate Offering Price therefor, less 50% of the Commission, the Advisory Fee and all of the estimated expenses payable to the Agent at the Closing Time pursuant to Section 13, by wire transfer of immediately available funds; and (ii) in respect of the Direct Settlers, the Corporation shall issue the Subscription Receipts in certificated form against payment by the Corporation or the Direct Settler, as the case may be, to the Subscription Receipt Agent (to be held in escrow in accordance with the terms of the Subscription Receipt Agreement) of the aggregate Offering Price for all of the Subscription Receipts sold to Direct Settlers in immediately available funds by way of bank draft, certified cheque or wire transfer.

13. Closing Conditions. Each Purchaser’s obligation to purchase the Subscription Receipts shall be conditional upon the fulfilment at or before the Closing Time of the following conditions:

- (a) the Agent shall have received a certificate, dated as of the Closing Date, signed by the Chief Executive Officer and Chief Financial Officer of the Corporation, certifying for and on behalf of the Corporation, to the best of their knowledge, information and belief, after due inquiry, that:
 - (i) no order, ruling or determination having the effect of suspending the sale or ceasing the trading in any securities of the Corporation or prohibiting the issue and sale of the Subscription Receipts or any of the Corporation’s issued securities has

- been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or are pending or are contemplated or threatened by any regulatory authority;
- (ii) since December 31, 2020, (A) there has been no material adverse change (actual or proposed, whether financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or share structure of the Corporation, and (B) no material transactions have been entered into by the Corporation other than in the ordinary course of business;
 - (iii) the Corporation has complied with all the terms, covenants and conditions of this Agreement on its part to be complied with up to the Closing Time; and
 - (iv) the representations and warranties of the Corporation contained in this Agreement are true and correct as of the Closing Time with the same force and effect as if made at and as of the Closing Time;
- (b) the Agent shall have received a certificate, dated as of the Closing Date, signed by the Chief Executive Officer of MJ, or such other director or officer of MJ as the Agent may agree, certifying for and on behalf of MJ, to the best of his knowledge, information and belief, after due inquiry, that;
- (i) no order, ruling or determination having the effect of suspending the sale or ceasing the trading in any securities of MJ or any of MJ's issued securities has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or are pending or are contemplated or threatened by any regulatory authority;
 - (ii) since June 30, 2021, (A) there has been no material adverse change (actual or proposed, whether financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of MJ, other than as disclosed herein, and (B) no material transactions have been entered into by MJ, other than the Offering and the Reverse Take-Over;
 - (iii) MJ has duly complied with all the terms, covenants and conditions of this Agreement on its part to be complied with up to the Closing Time; and
 - (iv) the representations and warranties of MJ contained in this Agreement are true and correct as of the Closing Time with the same force and effect as if made at and as of the Closing Time;
- (c) the Agent shall have received at the Closing Time a certificate dated the Closing Date, signed by an appropriate officer or officers of the Corporation addressed to the Agent, with respect to the constating documents of the Corporation, all resolutions of the Corporation's board of directors relating to the Transaction Documents, the Definitive Agreement and otherwise pertaining to the purchase and sale of the Subscription Receipts and the transactions contemplated hereby and thereby, the incumbency and specimen signatures of signing officers and such other matters as the Agent may reasonably request;
- (d) the Agent shall have received at the Closing Time a certificate dated the Closing Date, signed by appropriate officers of MJ addressed to the Agent, with respect to constating

documents of MJ, all resolutions of MJ's board of directors relating to the Transaction Documents to which MJ is a party, the Definitive Agreement and otherwise pertaining to the transactions contemplated hereby and thereby, the incumbency and specimen signatures of signing officers in the form of a certificate of incumbency and such other matters as the Agent may reasonably request;

- (e) the Agent shall have been satisfied, in its sole discretion, with the results of its due diligence review of each of the Corporation, MJ, and their respective businesses, operations and financial conditions and market conditions at the Closing Time;
- (f) the Agent shall have received a certificate of status (or equivalent) with respect to the jurisdiction in which each of the Corporation, Subco and MJ was incorporated;
- (g) the Agent shall have received satisfactory evidence, acting reasonably, that all requisite approvals and consents have been obtained by each of the Corporation and MJ and remain in full force and effect in order to complete the Offering;
- (h) each of the Transaction Documents shall be in a form acceptable to the Agent, acting reasonably, and shall have been executed and delivered by the Corporation and MJ, as applicable;
- (i) the Agent shall have received the executed Lock-Up Agreements;
- (j) the Agent shall have received legal opinions addressed to the Agent and the Purchasers, in form and substance satisfactory to the Agent, acting reasonably, dated as of the Closing Date, from Aird and Berlis LLP, counsel to the Corporation and to MJ, and where appropriate, counsel in the other Designated Provinces, which counsel in turn may rely, as to matters of fact, on certificates of auditors, public officials and officers of the Corporation or MJ, as appropriate, with respect to the following matters:

A. with respect to the Corporation:

- (i) as to the incorporation and valid existence of the Corporation and the corporate power, capacity and authority of the Corporation to carry on its business as presently carried on and to own, lease and operate its properties and assets;
- (ii) as to the authorized and issued shares of the Corporation immediately prior to the Closing Time;
- (iii) to execute and deliver the Transaction Documents and the Definitive Agreement and to perform all of its obligations thereunder and to issue the Subscription Receipts, the Common Shares and Warrants comprising the SPARQ Units, the Warrant Shares, the Compensation Options, the Compensation Option Shares and Compensation Option Warrants comprising the Compensation Option SPARQ Units and the Compensation Option Warrant Shares;
- (iv) each of the Transaction Documents and the Definitive Agreement has been duly authorized and executed and delivered by the Corporation and constitutes a valid and legally binding agreement of the Corporation

enforceable against it in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, liquidation, reorganization, moratorium or similar laws affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and the qualification that the enforceability of rights of indemnity, contribution and waiver and the ability to sever unenforceable terms may be limited by applicable Law;

- (v) the execution and delivery of the Transaction Documents and the Definitive Agreement, the performance by the Corporation of its obligations thereunder and the issuance and sale of the Subscription Receipts and the issue of the Common Shares and Warrants comprising the SPARQ Units, the Warrant Shares, the Compensation Options, the Compensation Option Shares and Compensation Option Warrants comprising the Compensation Option SPARQ Units and the Compensation Option Warrant Shares does not and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, whether after notice or lapse of time or both, (A) the provisions of the OBCA; (B) the constating documents of the Corporation or (C) the Shareholders' Agreement;
- (vi) the authorization, creation and valid issuance of the Subscription Receipts and the Compensation Options;
- (vii) the Common Shares comprising the SPARQ Units, the Warrant Shares, the Compensation Option Shares and the Compensation Option Warrant Shares have been duly authorized, and, in the case of the Warrant Shares, the Compensation Option Shares and the Compensation Option Warrant Shares, allotted and reserved for issuance;
- (viii) the Common Shares comprising the SPARQ Units have been and, upon the due exercise of the Warrants, the Compensation Options and the Compensation Option Warrants in accordance with the provisions thereof, the Warrant Shares, the Compensation Option Shares and the Compensation Option Warrant Shares, respectively, will be, validly issued as fully paid and non-assessable shares in the capital of the Corporation;
- (ix) the Warrants comprising the SPARQ Units and the Compensation Option Warrants comprising the Compensation Option SPARQ Units have been validly created;
- (x) the appointment of TSX Trust Company, at its principal office in Toronto, Ontario, as the duly appointed escrow agent and subscription receipt agent under the Subscription Receipt Agreement and the warrant agent under the Warrant Indenture;
- (xi) the issuance and sale by the Corporation of the Subscription Receipts to the Purchasers resident in the Designated Provinces in accordance with the terms of the Subscription Agreements and the granting and the issuance of the Subscription Receipts comprising the Compensation Options to the Agent in accordance with the terms of this Agreement, are exempt from

the prospectus requirements of applicable Securities Laws and no documents are required to be filed, no proceedings are required to be taken and no approvals, permits, consents or authorizations are required to be obtained by the Corporation under applicable Securities Laws to permit such issuance and sale, subject only to the filing of the requisite forms under applicable Securities Laws;

- (xii) the issuance of the Common Shares and Warrants upon conversion of the Subscription Receipts, the issuance of the Warrant Shares upon due exercise of the Warrants, the issuance of the Compensation Option Shares and Compensation Option Warrants upon the due exercise of the Compensation Options, and the issuance of the Compensation Option Warrant Shares upon the due exercise of the Compensation Option Warrants, is or will be exempt from the prospectus requirements of applicable Securities Laws of the Designated Provinces and no documents are required to be filed, no proceedings are required to be taken and no approvals, permits, consents or authorizations are required to be obtained by the Corporation under applicable Securities Laws of the Designated Provinces to permit such issuance; and
- (xiii) the first trade by the Purchasers or the Agent (as applicable) of the Subscription Receipts, the Common Shares and Warrants comprising the SPARQ Units, the Warrant Shares, the Compensation Options, the Compensation Option Shares and the Compensation Option Warrants comprising the Compensation Option SPARQ Units and the Compensation Option Warrant Shares, other than a trade which is otherwise exempt under the applicable Securities Laws, will be a distribution and will be subject to the prospectus requirements under the Securities Laws of the Designated Provinces unless: (1) at the time of such trade, the Corporation is and has been a reporting issuer in a jurisdiction of Canada for the four months immediately preceding such trade; (2) at the time of such trade, at least four months have elapsed from the “distribution date” (as such term is defined under NI 45-102) of the Subscription Receipts or the Compensation Options, as applicable; (3) the certificates representing the Subscription Receipts and the Compensation Option Certificates carry a legend stating “Unless permitted under securities legislation, the holder of this security must not trade the security before the date that is four months and a day after the later of (i) December 21, 2021; and (ii) the date the issuer became a reporting issuer in any province or territory” (or if the security is entered into a direct registration or other electronic book entry system, or if the relevant Purchaser or Agent did not directly receive a certificate representing the security, the relevant Purchaser or Agent received written notice containing such legend); (4) the trade is not a “control distribution” (as such term is defined in the NI 45-102); (5) no unusual effort is made to prepare the market or to create a demand for the security that is the subject of such trade; (6) no extraordinary commission or consideration is paid to a person or corporation in respect of such trade; and (7) if the selling securityholder is an “insider” or “officer” of the Corporation (as such terms are defined under applicable Securities Laws), the selling securityholder has no reasonable grounds to believe that the Corporation

is in default of “securities legislation” (as such term is defined in National Instrument 14-101 – “**Definitions**”).

B. with respect to MJ:

- (i) as to the incorporation and valid existence of MJ and Subco;
- (ii) as to the authorized and issued shares of MJ immediately prior to the Closing Time;
- (iii) the corporate power, capacity and authority of MJ to carry on its business as presently carried on and to own, lease and operate its properties and assets and execute and deliver the Transaction Documents to which it is a party and the Definitive Agreement and to perform all of its obligations hereunder and thereunder;
- (iv) each of the Transaction Documents to which it is a party and the Definitive Agreement has been duly authorized and executed and delivered by MJ and constitutes a valid and legally binding agreement of MJ enforceable against it in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, liquidation, reorganization, moratorium or similar laws affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and the qualification that the enforceability of rights of indemnity, contribution and waiver and the ability to sever unenforceable terms may be limited by applicable Law;
- (v) the execution and delivery of the Transaction Documents to which it is party and the Definitive Agreement, the performance by MJ of its obligations hereunder and thereunder does not and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, whether after notice or lapse of time or both, (A) the provisions of the OBCA or (B) the constating documents of MJ;
- (vi) MJ is a reporting issuer not on the list of defaulting reporting issuers maintained pursuant to the applicable Securities Laws of each of the Provinces of British Columbia, Alberta and Ontario; and
- (vii) TSX Trust Company, at its principal office in Toronto, Ontario as the duly appointed registrar and transfer agent for the MJ Common Shares;

14. Rights of Termination. The Agent shall be entitled, at its sole option, to terminate its obligations hereunder by written notice to that effect given to the Corporation and MJ at or prior to the Closing Time if:

- (a) the Agent is not satisfied in its sole discretion, acting reasonably, with its due diligence review and investigations;
- (b) there is, in the opinion of the Agent, acting reasonably, a material change or a change in any material fact or a new material fact shall arise which would be expected to have a

Material Adverse Effect on the Corporation or MJ or on the market price or the value of the securities of the Corporation or MJ;

- (c) the state of the financial markets, whether national or international, is such that in the opinion of the Agent it would be unprofitable to offer or continue to offer the Subscription Receipts for sale;
- (d) there should develop, occur or come into effect any event of any nature, including without limitation, accident, act of terrorism, public protest, governmental law or regulation, any health crises or escalation of the COVID-19 pandemic, which in the opinion of the Agent, acting reasonably, adversely affects or may adversely affect the financial markets or the business, affairs, prospects or financial condition of the Corporation or MJ or their material properties or the market price or value or marketability of the Subscription Receipts or the marketability of the Offering;
- (e) there is an enquiry or investigation (whether formal or informal) by any securities regulatory authority in relation to the Corporation or any one of its officers or directors, or any of its principal shareholders that, in the sole opinion of the Agent, acting reasonably, seriously adversely affects the trading or distribution of the Subscription Receipts or may have a seriously adverse impact on the market price or value of the Subscription Receipts;
- (f) the Corporation or MJ is in breach of a material term, condition or covenant of this Agreement, or any representation or warranty given by the Corporation or MJ in this Agreement becomes or is false;
- (g) all required regulatory approvals of the Corporation or MJ in respect of the Offering and the Reverse Take-Over are not obtained;
- (h) any order to cease trading the securities of the Corporation or MJ is made or threatened by a securities regulatory authority; or
- (i) each of the Agent, the Corporation and MJ agree to terminate this Agreement.

Each of the Corporation and MJ agree that: (i) all material terms and conditions in this Agreement shall be construed as conditions and complied with so far as the same relate to acts to be performed or caused to be performed by the Corporation or MJ, as applicable; (ii) it will use commercially reasonable efforts to cause such conditions to be complied with; and (iii) any breach or failure by the Corporation or MJ to comply with any of such conditions shall entitle the Agent, at its option in accordance with Section 14, to terminate its obligations under this Agreement (and the obligations of the Purchasers arranged by them to purchase Subscription Receipts) by notice to that effect given to the Corporation and MJ at or prior to a Closing Time. The Agent may waive, in whole or in part, or extend the time for compliance with, any terms and conditions without prejudice to its rights in respect of any other of such terms and conditions or any other or subsequent breach or non-compliance, provided that any such waiver or extension shall be binding upon the Agent only if the same is in writing and signed by the Agent.

15. Exercise of Termination Right. If this Agreement is terminated by the Agent pursuant to Section 14, there shall be no further liability on the part of the Agent or of MJ or the Corporation to the Agent, except in respect of any liability which may have arisen or may thereafter arise under Sections 14, 15 and 16. The right of the Agent to terminate its obligations under this Agreement is in addition to such other remedies as it may have in respect of any default, act or failure to act of the Corporation or MJ in respect of any of the matters contemplated by this Agreement.

16. Expenses. Whether or not the Offering is completed, the Corporation will be responsible for all of the Agent's reasonable expenses and fees in connection with the Offering, including, but not limited to: (i) all expenses of or incidental to the issue, sale or distribution of the Subscription Receipts and any conversion thereof; (ii) the reasonable fees and expenses of the Agent's legal counsel (such fees not to exceed \$125,000 in respect of legal counsel (exclusive of disbursements and taxes); and (iii) all reasonable costs incurred in connection with the preparation of documentation relating to the Offering. All fees and expenses incurred by the Agent or on its behalf shall be payable by the Corporation at the Closing Time. Any additional reasonable expenses of the Agent incurred subsequent to the Closing Date, shall be payable upon the satisfaction of the Escrow Release Conditions. At the option of the Agent, such fees and expenses may be deducted from the gross proceeds otherwise payable to the Corporation at the Closing.

17. Survival of Representations and Warranties. All terms, warranties, representations, covenants, indemnities and agreements herein contained or contained in any documents delivered pursuant to this Agreement shall survive the purchase and sale of the Subscription Receipts and continue in full force and effect for the benefit of the Agent, the Purchasers and/or the Corporation and MJ, regardless of the Closing and of any investigations carried out by the Agent or on its behalf and shall not be limited or prejudiced by any investigation made by or on behalf of the Agent in connection with the purchase and sale of the Subscription Receipts or otherwise for a period ending on the date that is the later of: (a) 18 months following the Closing Date, or (ii) if the Escrow Release Conditions are satisfied on or before the Escrow Release Deadline, 18 months following the date of the Listing. For greater certainty, the provisions contained in this Agreement in any way related to indemnification or the contribution obligations shall survive and continue in full force and effect, indefinitely, subject to the limitation requirements of applicable Laws. In this regard, the Agent shall act as trustees for the Purchasers and accept these trusts and shall hold and enforce such rights on behalf of the Purchasers.

18. Indemnity. The Corporation and MJ and upon completion of the Reverse Take-Over, the Resulting Issuer (together, the "**Companies**"), jointly and severally, agree to indemnify and hold harmless the Agent and its affiliates and syndicate or selling group members and each of its directors, officers, employees, partners, and shareholders (collectively, the "**Indemnified Parties**" and individually, an "**Indemnified Party**"), to the full extent lawful, from and against any and all expenses, losses (other than a loss of profits of such Indemnified Party), fees, claims, actions (including shareholder actions, derivative actions or otherwise), damages and liabilities, joint or several, (including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims and the reasonable fees and expenses of their counsel that may be incurred in advising with respect to and/or defending and/or settling any action, suit, proceeding, investigation or claim (collectively, the "**Claims**") that may be made or threatened against any Indemnified Party by a third party) to which any Indemnified Party may become subject or otherwise involved in any capacity under any statute or common law or otherwise insofar as the Claims relate to, are caused by, result from, arise out of or are based upon, directly or indirectly, the performance of professional services rendered to the Corporation by the Indemnified Parties hereunder or otherwise in connection with the matters set out in this Agreement, provided, however, that this indemnity shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that:

- (a) an Indemnified Party has been grossly negligent or has committed wilful misconduct or any fraudulent act in the course of such performance; and
- (b) the expenses, losses, claims, damages or liabilities to which the Indemnified Party makes a claim for indemnification were directly caused by the gross negligence, willful misconduct or fraud referred to in (i) immediately above.

The Companies agree to waive any right the Companies might have of first requiring an Indemnified Party to proceed against or enforce any other right, power, remedy or security or claim payment from any other Person before claiming under this indemnity.

The Companies agree that in case any legal proceeding shall be brought against either or both of the Companies and/or any Indemnified Party by any governmental commission or regulatory authority or any stock exchange or other entity having regulatory authority, either domestic or foreign, or if any such entity shall investigate the Companies and/or any Indemnified Party and an Indemnified Party and any of its personnel shall be required to testify in connection therewith or shall be required to respond to procedures designed to discover information regarding, in connection with or by reason of this Agreement, the Engagement Letter, or the performance of professional services rendered to the Companies by the Agent hereunder and thereunder, such Indemnified Party or its personnel shall have the right to employ its own counsel in connection therewith, provided that the Indemnified Party acts reasonably in selecting such counsel, and the reasonable fees and expenses of such counsel as well as the reasonable costs (at normal per diem rates) and out-of-pocket expenses incurred by the Indemnified Party and any of its personnel in connection therewith shall be paid by the Companies as they occur; provided, however, that, for greater certainty, the Companies shall have no obligation to pay any fees, expenses or costs of an Indemnified Party (including the fees and expenses of such Indemnified Party's legal counsel) if a court of competent jurisdiction in a final judgment that has become non-appealable has determined that such Indemnified Party has been grossly negligent, or has committed a fraudulent act or an act of wilful misconduct in the course of the performance of professional services rendered to the Companies by the Indemnified Party and such fees, expenses or costs were directly caused by such gross negligence, wilful misconduct or fraud.

Promptly after receiving notice of an action, suit, proceeding or claim against an Indemnified Party or receipt of notice of the commencement of any investigation which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Companies, the Indemnified Party will notify the Companies in writing of the commencement and particulars thereof, will provide copies of all relevant documentation to the Companies and, unless one or both of the Companies assumes the defence thereof (as contemplated below), will keep the Companies advised of the progress thereof and will discuss all significant actions proposed. However, the omission to so notify the Companies shall not relieve the Companies of any liability which the Companies may have to the Indemnified Party except only to the extent that any such delay in giving or failure to give notice as herein required materially prejudices the defense of such action, suit, proceeding or claim or results in any material increase in the liability which the Companies would otherwise have under this indemnity had the Indemnified Party not so delayed in giving or failed to give the notice required hereunder and such exclusion from the Companies' obligation to indemnify hereunder shall only apply to such increase. The Companies shall, on behalf of itself and the Indemnified Party, be entitled (but not required), at their own expense, to participate in and, to the extent they may wish to do so, assume the defence thereof, provided such defence is conducted by experienced and competent counsel acceptable to the Indemnified Party, acting reasonably. Upon the Companies notifying the Indemnified Party in writing of their election to assume the defence and retaining counsel, the Companies shall not be liable to such Indemnified Party for any legal expenses subsequently incurred by them in connection with such defence. If such defence is assumed by the Companies, the Companies throughout the course thereof will provide copies of all relevant documentation to the Indemnified Party, will keep the Indemnified Party advised of the progress thereof and will discuss with the Indemnified Party all significant actions proposed.

Notwithstanding the foregoing paragraph, any Indemnified Party shall have the right, at the Companies' expense, to employ counsel of such Indemnified Party's choice (provided that such counsel is acceptable to the Companies, acting reasonably), in respect of the defence of any action, suit, proceeding, claim or investigation if: (i) the employment of such counsel has been authorized by the Companies; or (ii) the Companies have not assumed the defence and employed counsel therefor within a reasonable time after

receiving notice of such action, suit, proceeding, claim or investigation; or (iii) counsel retained by the Companies has advised the Indemnified Party that there is an actual or potential conflict in the respective interests of the Indemnified Party and the Companies or additional defences are available to the Indemnified Parties such that representation by the same counsel would be inappropriate (in either of which events the Companies shall not have the right to assume or direct the defence on the Indemnified Party's behalf); provided, however, that the Companies shall not, in connection with any one such action or proceeding or separate but substantially similar actions or proceedings arising out of the same general allegations, be liable for the fees and expenses of more than one separate firm of attorneys at any time for all Indemnified Parties, except to the extent that local counsel, in addition to its regular counsel, is required in order to effectively defend against such action or proceeding.

No admission of liability and no settlement of any action, suit, proceeding, claim or investigation shall be made without the consent of the Indemnified Parties (such consent not to be unreasonably withheld) unless such settlement includes an unconditional release of such Indemnified Party from any liabilities arising of such action, suit, proceeding, claim or investigation without any admission of negligence, misconduct, liability or responsibility by or on behalf of such Indemnified Party. No admission of liability shall be made and the Companies shall not be liable for any settlement of any action, suit, proceeding, claim or investigation made without its consent.

The indemnity and contribution obligations of the Companies shall be in addition to any liability which the Companies may otherwise have, shall extend upon the same terms and conditions to those Indemnified Parties who are not signatories to this Agreement and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Companies and the Indemnified Parties.

The foregoing provisions shall survive the completion of professional services rendered under this Agreement or any termination of the authorization given by this Agreement and continue in full force and effect, indefinitely.

19. Contribution. In order to provide for a just and equitable contribution in circumstances in which the indemnity provided in Section 18 would otherwise be available in accordance with its terms but is, for any reason, held to be unavailable to or unenforceable by the Agent or enforceable otherwise than in accordance with its terms, the Agent on the one hand and the Corporation and MJ on the other hand shall contribute to the aggregate of all claims, expenses, costs and liabilities (including any legal expenses reasonably incurred by the Indemnified Party in connection with any claim which is the subject of this Section 19) and all losses (other than loss of profits) of a nature contemplated in Section 18 in such proportions as are appropriate to reflect not only the relative benefits received by the Corporation and MJ on the one hand and the Agent on the other hand, but also the relative fault of the Corporation, MJ and the Agent, as well as any relevant equitable consideration. The Agent shall not in any event be liable to contribute, in the aggregate, any amounts in excess of such aggregate fees or any portion of such fees actually received by the Agent pursuant to this Agreement. However, no party who has engaged in any fraud, fraudulent misrepresentation, wilful misconduct or gross negligence shall be entitled to claim contribution from any Person who has not engaged in such fraud, fraudulent misrepresentation, wilful misconduct or gross negligence.

20. Right of Contribution in Addition to Other Rights. The rights to contribution provided in Section 19 shall be in addition to and not in derogation of any other right to contribution which the Agent may have by statute or otherwise at law.

21. Calculation of Contribution. In the event that the Corporation or MJ may be held to be entitled to contribution from the Agent under the provisions of any statute or at law, and provided that the Agent

have not engaged in any fraud, fraudulent misrepresentation, wilful misconduct or gross negligence the Corporation or MJ shall be limited to contribution in an amount not exceeding the lesser of:

- (a) the portion of the full amount of the loss or liability giving rise to such contribution for which the Agent is responsible, as determined in Section 19 above; and
- (b) the amount of the aggregate fee actually received by the Agent from the Corporation under this Agreement.

22. Notice. If the Agent has reason to believe that a claim for contribution may arise, it shall give the Corporation notice of such claim in writing, as soon as reasonably possible, but failure to notify the Corporation shall not relieve the Corporation of any obligation which it may have to the Agent under Section 19, unless the Corporation is materially prejudiced by such failure to notify.

23. Advertisements. The Corporation acknowledges that the Agent shall have the right, at its own expense, subject to the prior written consent of the Corporation, such consent not to be unreasonably withheld or delayed, to place such advertisement or advertisements relating to the sale of the Subscription Receipts contemplated herein as the Agent may consider desirable or appropriate and as may be permitted by applicable law, including applicable securities laws. The Corporation and the Agent each agree that they will not make or publish any advertisement in any media whatsoever relating to, or otherwise publicize, the transaction provided for herein so as to result in any exemption from the prospectus and registration or other similar requirements of applicable securities legislation in the United States or any of the provinces of Canada or any other jurisdiction in which the Subscription Receipts shall be offered or sold not being available.

24. Agent Compensation. In consideration of the services to be rendered by the Agent in connection with the Offering, the Corporation shall pay to the Agent: (a) a cash fee of \$100,000 for advisory services provided to the Corporation in connection with the Offering (the “**Advisory Fee**”); (b) a cash commission equal to (i) 3.5% of the aggregate gross proceeds of the Offering from Purchasers on the President’s List, including an additional 3.5% of the aggregate gross proceeds of the Offering from Purchasers on the President’s List whose subscriptions are settled through members of the selling group; and (ii) 7.0% of the aggregate gross proceeds of the Offering in respect of all other Purchasers (the “**Commission**” and together with the Advisory Fee, the “**Cash Compensation**”). The obligation of the Corporation to pay the Cash Compensation shall arise at Closing and the Cash Compensation shall be fully earned by the Agent at the Closing Time; provided, however, 50% of the Commission shall be paid to the Agent on Closing and the remaining 50% shall be deposited in escrow with the Subscription Receipt Agent to form part of the Escrowed Proceeds, and shall be paid to the Agent upon satisfaction of the Escrow Release Conditions. Payment of the Cash Compensation may be made by way of deduction from the aggregate gross proceeds of the Offering on the Closing Date.

As additional consideration for the services of the Agent, on Closing, the Corporation shall grant to the Agent that number of non-transferable broker warrants equal to (i) 3.5% of the number of Subscription Receipts sold to Purchasers on the President’s List of Subscription Receipts, including an additional 3.5% of the aggregate gross proceeds of the Offering from Purchasers on the President’s List whose subscriptions are settled through members of the selling group; and (ii) 7.0% of the number of Subscription Receipts sold pursuant to the Offering to all other Purchasers (the “**Compensation Options**”). Each Compensation Option will entitle the holder thereof to acquire one SPARQ Unit, consisting of one Common Share (a “**Compensation Option Share**”) and one Warrant (a “**Compensation Option Warrant**”), at an exercise price equal to \$0.50 for a period of 24 months following the date the Escrow Release Conditions are satisfied. Each Compensation Option Warrant shall entitle the holder thereof to purchase one Common Share (each, a “**Compensation Option Warrant Share**”) at an exercise price equal to \$0.75 for a period

of 24 months following the date the Escrow Release Conditions are satisfied, subject to adjustment in certain events as set out in the Warrant Indenture.

Pursuant to the Reverse Take-Over, the Compensation Options shall be exchanged for an equal number of compensation options of the Resulting Issuer (the “**Resulting Issuer Compensation Options**”). Each Resulting Issuer Compensation Option will entitle the holder thereof to acquire one Resulting Issuer Compensation Option Unit, consisting of one Resulting Issuer Share (a “**Resulting Issuer Compensation Option Share**”) and one Resulting Issuer Warrant (a “**Resulting Issuer Compensation Option Warrant**”), at an exercise price equal to \$0.50 for a period of 24 months following the date the Escrow Release Conditions are satisfied. Each Resulting Issuer Compensation Option Warrant shall entitle the holder thereof to purchase one Resulting Issuer Warrant Share (a “**Resulting Issuer Compensation Option Warrant Share**”) at a price of \$0.75 for a period of 24 months following the date the Escrow Release Conditions are satisfied, subject to adjustment in certain events as set out in the Warrant Indenture. In the event a holder would be entitled to receive a fractional Resulting Issuer Compensation Option, no such fractional Resulting Issuer Compensation Option will be issued and the number of Resulting Issuer Compensation Options to be received by such holder will be rounded down to the next lowest whole number of Resulting Issuer Compensation Option. At the Closing Time: (i) the Corporation shall execute and deliver to the Agent certificates evidencing the Compensation Options (the “**Compensation Option Certificates**”); and (ii) deliver to the Agent the final form of certificate which will represent the Resulting Issuer Compensation Options, each in a form to be agreed upon by the Agent and the Corporation, each acting reasonably.

25. Right of Participation. The Corporation hereby grants the Agent the right, but not the obligation, to act as manager and exclusive placement agent in any further offering of securities of the Corporation or the Resulting Issuer to be issued and sold in Canada or the United States by private placement or public offering or to provide professional, sponsorship or advisory services performed (or normally performed) by a broker or investment dealer (each a “**Subsequent Mandate**”) until the date that is twelve (12) months following completion of the Reverse Take-Over (the “**ROFR Period**”). In connection therewith, the Corporation or the Resulting Issuer, as applicable, shall consult with the Agent from time to time as to its corporate finance requirements and shall provide the Agent with reasonable advance written notice of its intention to pursue any such Subsequent Mandate prior to soliciting interest from other investment dealers or market intermediaries to enable the Agent to assess the terms and conditions of such proposed Subsequent Mandate. The Agent shall have five (5) Business Days from the date the Corporation provides written notice of its intention to pursue such Subsequent Mandate to exercise its first right of refusal to participate in the Subsequent Mandate. If the Agent elects not to exercise such right, it shall relinquish its rights with respect to that particular Subsequent Mandate only and shall continue to have a right of first refusal in relation to any other Subsequent Mandate during the ROFR Period. Should the Corporation or the Resulting Issuer receive a specific offer in connection with a Subsequent Mandate from another broker/dealer before the end of the ROFR Period, the Corporation or the Resulting Issuer shall immediately advise the Agent of the terms and conditions of the Subsequent Mandate and the Agent shall have five (5) Business Days to exercise its first right of refusal to participate on the same terms and conditions as contemplated in the Subsequent Mandate.

26. Alternative Transaction. In the event that the Corporation does not complete the Offering (unrelated to the Agent's inability to complete the Offering), but the Corporation and or any of its affiliates completes an Alternative Transaction within 12 months of the termination of this Agreement, the Corporation shall pay to the Agent, promptly upon closing of the Alternative Transaction, a fee equal to the 100% of the Commission otherwise payable under this Agreement calculated on the basis of an Offering for aggregate gross proceeds equal to \$11,500,000.

27. Notices. Unless otherwise expressly provided in this Agreement, any notice or other communication to be given under this Agreement (a “**notice**”) shall be in writing and will be given by delivery or by electronic transmission, addressed as follows:

(a) If to the Corporation, to:

SPARQ Systems Inc.
945 Princess Street, Box 212
Kingston, ON K7L 0E9

Attention: Praveen Jain, Chief Executive Officer
Email: **[Redacted - Email Address]**

with a copy to (which shall not constitute notice):

Aird & Berlis LLP
Brookfield Place, 181 Bay St., Suite 1800
Toronto, ON M5J 2T9

Attention: Richard Kimel
Email: **[Redacted - Email Address]**

(b) If to MJ, to:

MJ Innovation Capital Corp.
181 Bay St., Suite 1800
Toronto, Ontario M5J 2T9

Attention: Bryan Van Engelen, Chief Executive Officer and Chief Financial Officer
Email: **[Redacted - Email Address]**

with a copy to (which shall not constitute notice):

Aird & Berlis LLP
Brookfield Place, 181 Bay St., Suite 1800
Toronto, ON M5J 2T9

Attention: Richard Kimel
Email: **[Redacted - Email Address]**

(c) If to the Agent, to:

Echelon Wealth Partners Inc.
525 8th Avenue S.W., Suite 400
Calgary, Alberta T2P 1G1

Attention: Ryan Mooney
Email: **[Redacted - Email Address]**

with a copy to (which shall not constitute notice):

McCarthy Tétrault LLP
Suite 4000, 421 – 7th Avenue SW
Calgary, Alberta T2P 4K9

Attention: Gord Cameron
Email: **[Redacted - Email Address]**

or to such other address as any of the parties may designate by notice given to the others.

Each notice shall be personally delivered to the addressee or sent by email transmission to the addressee and (i) a notice which is personally delivered shall, if delivered on a Business Day, be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is delivered; and (ii) a notice which is sent by email transmission shall be deemed to be given and received on the day on which it is confirmed to have been sent.

28. Time of the Essence. Time shall, in all respects, be of the essence hereof.

29. Canadian Dollars. All references herein to dollar amounts are to lawful money of Canada.

30. Headings. The headings contained herein are for convenience only and shall not affect the meaning or interpretation hereof.

31. Singular and Plural, etc. Where the context so requires, words importing the singular number include the plural and vice versa, and words importing gender shall include the masculine, feminine and neuter genders.

32. Entire Agreement. This Agreement constitutes the only agreement among the parties with respect to the subject matter hereof and shall supersede any and all prior negotiations and understandings, including, without limitation, the Engagement Letter. This Agreement may be amended or modified in any respect by written instrument only.

33. Severability. The invalidity or unenforceability of any particular provision of this Agreement shall not affect or limit the validity or enforceability of the remaining provisions of this Agreement.

34. Governing 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 Corporation, MJ and Agent irrevocably attorn to the jurisdiction of the courts of the Province of Ontario with respect to any matters arising out of this Agreement.

35. Successors and Assigns. The terms and provisions of this Agreement shall be binding upon and enure to the benefit of the Corporation, MJ, the Agent and the Purchasers and their respective successors and permitted assigns; provided that, this Agreement shall not be assignable by any party without the prior written consent of the others.

36. Further Assurances. Each of the parties hereto shall do or cause to be done all such acts and things and shall execute or cause to be executed all such documents, agreements and other instruments as may reasonably be necessary or desirable for the purpose of carrying out the provisions and intent of this Agreement.

37. Absence of Fiduciary Relationship. The Corporation acknowledges and agrees that: (a) the Agent has not assumed nor will assume a fiduciary responsibility in favour of the Corporation with respect to the

Offering contemplated hereby or the process leading thereto and the Agent does not have any obligation to the Corporation with respect to the Offering contemplated hereby except the obligations expressly set forth in this Agreement; (b) the Agent and its affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Corporation; and (c) the Agent has not provided any legal, accounting, regulatory or tax advice with respect to the Offering contemplated hereby and the Corporation has consulted its own legal, accounting, regulatory and tax advisors to the extent it deemed appropriate.

38. Effective Date. This Agreement is intended to and shall take effect as of the date first set forth above, notwithstanding its actual date of execution or delivery.

39. Language. The parties hereby acknowledge that they have expressly required this Agreement and all notices, statements of account and other documents required or permitted to be given or entered into pursuant hereto to be drawn up in the English language only. *Les parties reconnaissent avoir expressément demandé que la présente convention ainsi que tout avis, tout état de compte et tout autre document à être ou pouvant être donné ou conclu en vertu des dispositions des présentes, soient rédigés en langue anglaise seulement.*

40. Counterparts and Electronic Transmission. This Agreement may be executed in any number of counterparts and by electronic transmission, each of which so executed shall constitute an original and all of which taken together shall form one and the same agreement.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

If the Corporation and MJ are in agreement with the foregoing terms and conditions, please so indicate by executing a copy of this Agreement where indicated below and delivering the same to the Agent.

Yours very truly,

ECHELON WEALTH PARTNERS INC.

Per: (signed) "Ryan Mooney"
Name: Ryan Mooney
Title: Managing Director

The foregoing is hereby accepted on the terms and conditions herein set forth.

DATED as of date first written above.

SPARQ SYSTEMS INC.

By: (signed) "Dr. Praveen Jain"
Name: Dr. Praveen Jain
Title: President and Chief Executive Officer

MJ INNOVATION CAPITAL CORP.

By: (signed) "Bryan Van Engelen"
Name: Bryan Van Engelen
Title: Chief Executive Officer and Chief
Financial Officer