

Court File No.:

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
MPX INTERNATIONAL CORPORATION, BIOCANNABIS PRODUCTS LTD.,
CANVEDA INC., THE CING-X CORPORATION, SPARTAN WELLNESS
CORPORATION, MPXI ALBERTA CORPORATION, MCLN INC., AND SALUS
BIOPHARMA CORPORATION**

Applicants

APPLICATION RECORD

July 25, 2022

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Lawyers for the Applicants

TO: SERVICE LIST

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AND SALUS BIOPHARMA CORPORATION**

Applicants

SERVICE LIST

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TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
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**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
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Applicants

NOTICE OF APPLICATION

TO THE RESPONDENT

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicants. The claim made by the Applicants appears on the following page.

THIS APPLICATION will come on for a hearing before a Judge presiding over the Commercial List on July 25, 2022 at 5:00 p.m. Eastern via videoconference due to the COVID-19 pandemic. Please refer to the videoconference details attached as Schedule "A" hereto in order to attend the application and advise if you intend to join the Application by emailing Thomas Gray at grayt@bennettjones.com.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the Rules of Civil Procedure, serve it on the Applicants' lawyer or, where the Applicants do not have a lawyer, serve it on the Applicants, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicants' lawyer or, where the Applicants do not have a lawyer, serve it on the Applicants, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but not later than 2 p.m. Eastern on the day before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE

THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date: July 25, 2022

Issued by:

Local Registrar

Address of court office: 330 University Avenue, 9th Floor
Toronto, ON M5G 1R7

TO: THE SERVICE LIST

APPLICATION

THE APPLICANTS MAKE THIS APPLICATION FOR:

1. An Order substantially in the form attached as Tab 3 of this Application Record (the “**Initial Order**”), *inter alia*:
 - (a) abridging the time for service and filing of this notice of application and dispensing with service on any person other than those served;
 - (b) declaring that MPX International Corporation (“**MPXI**”), BioCannabis Products Ltd., Canveda Inc. (“**Canveda**”), The CinG-X Corporation, Spartan Wellness Corporation, MPXI Alberta Corporation, MCLN Inc. and Salus BioPharma Corporation (each individually, an “**Applicant**”, and collectively, the “**Applicants**”) are companies to which the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C36, as amended (the “**CCAA**”) applies;
 - (c) appointing KSV Restructuring Inc. (“**KSV**” or the “**Proposed Monitor**”, and if appointed, the “**Monitor**”) as an officer of this Court to monitor the assets, business and financial affairs of the Applicants;
 - (d) approving the Applicants' ability to borrow under a debtor-in-possession credit facility (the “**DIP Loan**”) to finance their working capital requirements and other general corporate purposes, post-filing expenses and costs, limited to the amount required by the Applicants until the Comeback Hearing;
 - (e) staying, for an initial period of not more than ten (10) days (the “**Stay of Proceedings**”), all proceedings and remedies taken or that might be taken in respect of the Applicants, the Monitor or the directors and officers of the Applicants, or affecting the Applicants’ business or the Property (as defined below), except with the written consent of the Applicants and the Monitor, or with leave of the Court;

- (f) extending the benefit of the Stay of Proceedings to the Non-Applicant Stay Parties¹ (together with the Applicants, the "**MPXI Entities**") and their respective directors and officers;
- (g) authorizing the Applicants to pay, with the consent of the Monitor and the DIP Lenders, amounts owing for goods and services actually supplied to the Applicants and all outstanding amounts related to honouring customer obligations whether existing before or after the date of the Initial Order;
- (h) relieving MPXI of any obligation to call and hold its annual general meeting of shareholders (the "**AGM**") until further Order of the Court; and
- (i) granting the following charges (collectively, the "**Charges**") over the Applicants' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (collectively, the "**Property**"):
 - (i) an Administration Charge (as defined in the Initial Order) up to a maximum amount of \$300,000;
 - (ii) a DIP Lenders' Charge (as defined in the Initial Order) up to a maximum amount of \$1.2 million; and
 - (iii) a Directors' Charge (as defined in the Initial Order) up to a maximum amount of \$145,000.

2. The Applicants have scheduled a comeback hearing on August 4, 2022 (the "**Comeback Hearing**") to seek:

- (a) an amended and restated initial order, approving the following:
 - (i) an extension to the Stay of Proceedings;

¹The "**Non-Applicant Stay Parties**" collectively includes: MPX Australia Pty Ltd.; MPXI UK Limited; MPXI Lesotho (Pty) Ltd.; Highland Farms (Pty) Ltd.; MPXI Malta Operations Limited; MPXI Malta Property Limited; Alphafarma Operations Limited; MPXI Malta Holding Limited; MPXI SA Pty Ltd.; First Growth Holding Pty Ltd.; Salus Bioceutical (Thailand) Co. ("**Salus Bioceutical**"), Ltd.; Salus International Management Ltd. ("**Salus International**"); Holyworld SA; and MPXI Labs SA.

- (ii) an increase to the quantum of each of the DIP Lenders' Charge and the Directors' Charge;
- (iii) relief from certain securities reporting obligations;
- (b) an order approving a sale and investment solicitation process (the "**SISP**"); and
- (c) such other relief as may be required to advance the Applicants' restructuring;

THE GROUNDS FOR THIS APPLICATION ARE:

General

- (d) the Applicants are insolvent and are companies to which the CCAA applies;
- (e) each of the Applicants is a Canadian company;
- (f) MPXI is a reporting issuer listed on the Canadian Securities Exchange. It is the ultimate parent company to the other MPXI Entities, which focus on the cannabis industry in Canada and internationally, including Thailand, Malta and Switzerland. The MPXI Entities' business and operations focus on production and resale, management consulting for cannabis companies, and cannabis education.
- (g) the Applicants' operations are largely based in Ontario, Canada. The Canadian cannabis "plant-touching" operations of the Applicants are conducted through Canveda. Canveda has a licence issued under the *Cannabis Act*, S.C. 2018, c. 16, to produce cannabis at its facility in Peterborough, Ontario;
- (h) Canveda produces and distributes three main types of products: (i) cannabis flower; (ii) cannabis extract and related products; and (iii) cannabis derivatives, including edibles and concentrates. MPXI owns several recognized medicinal and recreational cannabis brands and products that are produced and distributed by Canveda.
- (i) the Applicants are seeking the Initial Order at this time in order to stabilize and protect their business and to obtain urgently needed additional financing in order to

continue operations and to implement a restructuring and consummate a transaction in the SISP that would see all or a portion of the MPXI Entities' business and/or assets sold as a going concern;

- (j) in connection with the commencement of the CCAA Proceedings, the Applicants, and certain of the Non-Applicant Stay Parties as guarantors, have entered into the DIP Term Sheet (as defined below) to borrow up to \$2.67 million under the DIP Loan to finance their working capital requirements and other general corporate purposes, post-filing expenses and costs;
- (k) the boards of directors of each of the Applicants resolved to commence these CCAA proceedings (the "**CCAA Proceedings**");
- (l) KSV has consented to act as the Monitor in the CCAA Proceedings;

Urgent Need For the Stay Of Proceedings

- (m) the Applicants urgently require a broad stay of proceedings to prevent enforcement action by certain contractual counterparties and to provide the Applicants with breathing space while they attempt to effect a restructuring, all the while permitting their business to continue to operate as a going concern. It would be detrimental to the Applicants' business if proceedings were commenced or continued or rights and remedies were executed against them and, without the Stay of Proceedings, the Applicants are unable to continue operations in the ordinary course of business;
- (n) the Stay of Proceedings will stabilize and preserve the value of the Applicants' business and ultimately provide the Applicants with breathing space to develop and undertake the SISP;
- (o) the Stay of Proceedings is in the best interests of the Applicants and their stakeholders, meets the statutory requirements under the CCAA, and is appropriate in the circumstances;
- (p) absent the Stay of Proceedings, the Applicants face the immediate cessation of their business, eroding value for all of their stakeholders;

Extending the Stay of Proceedings to the Non-Applicant Stay Parties

- (q) due to the integration of the business and operations of the MPXI Entities, the Applicants are seeking to extend the Stay of Proceedings to the Non-Applicant Stay Parties, many of whom are guarantors of MPXI's secured obligations and the DIP Loan;
- (r) the extension of the Stay of Proceedings to these entities is intended to prevent uncoordinated realization and enforcement attempts from being made in different jurisdictions, thereby preventing immediate losses of value for the Applicants and their stakeholders.
- (s) the Applicants believe that there is material value in the Non-Applicant Stay Parties and that without the benefit of the Stay of Proceedings, the value of such entities could quickly erode;
- (t) the Non-Applicant Stay Parties will benefit from the DIP Loan, should it be approved by the Court, which will facilitate going concern operations and will maximize the value of the MPXI Entities;
- (u) the Proposed Monitor believes that the Stay of Proceedings – including its extension to the Non-Applicant Stay Parties – is appropriate in the circumstances.

Immediate Need for the DIP Loan

- (v) in connection with the commencement of the CCAA Proceedings, the Applicants, as borrowers, and certain of the Non-Applicant Stay Parties, as guarantors, entered into a term sheet dated July 25, 2022 (the “**DIP Term Sheet**”) with the parties listed on Schedule D of the DIP Term sheet as lenders (collectively, the “**DIP Lenders**”), pursuant to which DIP Lenders have agreed to provide the DIP Loan to the Applicants in the maximum principal amount of \$2.67 million;
- (w) the Applicants are in a dire liquidity crisis and are not able to meet their obligations as they become due. Absent the approval of the financing proposed to be made available under the DIP Loan, certain of the MPXI Entities will not be able to fund

their next payroll (which is paid in arrears) scheduled to be paid on or around July 29, 2022. Absent the DIP Loan, the Applicants will be forced to immediately cease going concern operations;

- (x) the proposed DIP Loan contemplates that a portion of it will be loaned by the Applicants to Salus International to fund the immediate operational needs of Salus Bioceutical;
- (y) the proposed DIP Loan is conditional upon the provision of an initial order under the CCAA, among other things, approving the DIP Loan and granting the DIP Lenders' Charge over the Property;
- (z) the amount to be funded prior to the Comeback Hearing under the DIP Loan is only that portion that is necessary for the Applicants' continued operations in the ordinary course of business during the initial Stay of Proceedings;
- (aa) the Proposed Monitor believes that the DIP Loan and corresponding DIP Lenders' Charge are appropriate and necessary in the circumstances;

Priority Charges

- (bb) the Applicants are seeking the Charges as part of the relief granted under the Initial Order in the following priority:
 - First – Administration Charge (up the maximum amount of \$300,000);
 - Second – DIP Lenders' Charge (up to the maximum amount of \$1.2 million); and
 - Third – Directors' Charge (up to the maximum amount of \$145,000).
- (cc) the relief sought in the Initial Order in respect of the Charges is limited to what is reasonably necessary to stabilize the Applicants' business during the initial Stay of Proceedings;
- (dd) the Proposed Monitor is supportive of the granting of each of the Charges and their quantum;

Ability to Pay Certain Pre-Filing Amounts

- (ee) with the prior consent of the Monitor and the DIP Lenders, the Applicants are seeking authorization (but not the obligation) to pay certain amounts owing prior to the date of the Initial Order;
- (ff) this relief is necessary to maintain ordinary course operations, particularly given the highly regulated nature of the Applicants' business. The Applicants' ability to operate their business in the normal course is dependent on their ability to obtain an uninterrupted supply of certain goods and services, which may require the payment of certain amounts owing prior to the date of the Initial Order;

Relief in Respect of AGM

- (gg) MPXI's AGM was originally scheduled for July 15, 2022. The date for holding the AGM was extended to July 29, 2022, which is the last date that MPXI is permitted to hold the AGM under applicable corporate and securities laws;
- (hh) as a result of the commencement of the CCAA Proceedings, MPXI is seeking to be relieved of any obligation to call and hold the AGM until further Order of this Court;
- (ii) it would be a distraction and unnecessary expense for MPXI to hold an AGM in the circumstances where it is insolvent and the equity value of MPXI is suspect at best;
- (jj) the shareholders of MPXI will have the benefit of a significant amount of financial and other information that is being, and will continue to be, disclosed in the CCAA Proceedings;

Other Grounds

- (kk) the provisions of the CCAA and the inherent and equitable jurisdiction of this Honourable Court;
- (ll) rules 1.04, 2.03, 3.02, 14.05(2), 16, 38 and 39 of the Ontario *Rules of Civil Procedure*, R.R.O 1990, Reg. 194, as amended and sections 106 and 137(2) of the *Courts of Justice Act*, R.S.O. 1990, c. C.43 as amended; and
- (mm) such further and other grounds as counsel may advise and this Honourable Court may permit;

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the application for the Initial Order:

- (a) the Affidavit of Jeremy Blumer, sworn on July 25, 2022, and the exhibits attached thereto;
- (b) the consent of KSV to act as Monitor;
- (c) the Factum of the Applicants;
- (d) the Pre-Filing Report of the Proposed Monitor dated July 25, 2022; and
- (e) such further and other evidence as counsel may advise and this Court may permit;

July 25, 2022

BENNETT JONES LLP

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Lawyers for the Applicants

SCHEDULE “A”

Join Zoom Meeting

<https://ca01web.zoom.us/j/67970635432?pwd=a1BJK0FGbFVab1NLMzhteTEvbUFPQT09>

Meeting ID: 679 7063 5432

Passcode: 571383

One tap mobile

+12042727920,,67970635432#,,,,*571383# Canada

+14388097799,,67970635432#,,,,*571383# Canada

Dial by your location

+1 204 272 7920 Canada

+1 438 809 7799 Canada

+1 587 328 1099 Canada

+1 613 209 3054 Canada

+1 647 374 4685 Canada

+1 647 558 0588 Canada

+1 778 907 2071 Canada

833 955 1088 Canada Toll-free

855 703 8985 Canada Toll-free

Meeting ID: 679 7063 5432

Passcode: 571383

Find your local number: <https://ca01web.zoom.us/u/gcxruoDBLx>

Join by SIP

67970635432@zmca.us

Join by H.323

69.174.57.160 (Canada Toronto)

65.39.152.160 (Canada Vancouver)

Meeting ID: 679 7063 5432

Passcode: 571383

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND
IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF MPX INTERNATIONAL CORPORATION,
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Court File No.: _____

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings Commenced in Toronto

NOTICE OF APPLICATION

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Lawyers for the Applicants

TAB 2

**ONTARIO
SUPERIOR COURT OF JUSTICE
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**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
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BIOPHARMA CORPORATION**

Applicants

**AFFIDAVIT OF JEREMY BLUMER
(Sworn July 25, 2022)**

I, Jeremy Blumer, of the town of Oakville, in the Province of Ontario, **MAKE OATH
AND SAY:**

1. This affidavit is made in support of an Application by MPX International Corporation (“**MPXI**”), BioCannabis Products Ltd. (“**BioCannabis**”), Canveda Inc. (“**Canveda**”), The CinG-X Corporation (“**CinG-X**”), Spartan Wellness Corporation (“**Spartan**”), MPXI Alberta Corporation (“**MPXI Alberta**”), MCLN Inc. (“**MCLN**”), and Salus BioPharma Corporation (“**Salus BioPharma**”) (each individually, an “**Applicant**”, and collectively, the “**Applicants**”).

2. I am a director and the Chief Financial Officer of MPXI, which wholly-owns each of the other Applicants and which, directly or indirectly, wholly-owns or has an interest in several other non-Applicant affiliates¹ (each subsidiary of MPXI individually a “**Subsidiary**” and together the

¹ The non-Applicant affiliates are: MPX Australia Pty Ltd.; MPXI UK Limited; MPXI Lesotho (Pty) Ltd.; Highland Farms (Pty) Ltd.; MPXI Malta Operations Limited; MPXI Malta Property Limited; Alphafarma Operations Limited; MPXI Malta Holding Limited; MPXI SA Pty Ltd.; First Growth Holding Pty Ltd.; Salus Bioceutical (Thailand) Co., Ltd.; Salus International Management Ltd.; Holyworld SA; and MPXI

“**Subsidiaries**”, and collectively with MPXI, the “**Company**”). As such, I have personal knowledge of the Company and the matters to which I depose in this affidavit. Where I have relied on other sources for information, I have so stated and I believe them to be true.

3. All references to currency in this affidavit are in Canadian dollars unless noted otherwise.

I. RELIEF REQUESTED

4. I swear this affidavit in support of an urgent Application by the Applicants for an Order (the “**Initial Order**”) pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), among other things:

- (a) declaring that the Applicants are parties to which the CCAA applies;
- (b) appointing KSV Restructuring Inc. (“**KSV**” or the “**Proposed Monitor**”) as an officer of the Court to monitor the assets, business, and affairs of the Applicants (once appointed in such capacity, the “**Monitor**”);
- (c) approving the Applicants’ ability to borrow under a debtor-in-possession (“**DIP**”) credit facility (the “**DIP Loan**”) to finance their critically required working capital requirements and other general corporate purposes, post-filing expenses and costs over the next ten (10) days;
- (d) staying, for an initial period of not more than ten (10) days, all proceedings and remedies taken or that might be taken in respect of the Applicants, the Monitor or

Labs SA (collectively, the “**Non-Applicant Stay Parties**”). MPXI also has a minority interest in Prime Pharmaceutical Corporation, which in turn controls Primapharm Funding Corporation. MPXI is not involved in the day to day operations of either of these companies, and neither are intended to be Applicants or Non-Applicant Stay Parties.

the Directors and Officers (as defined below), or affecting the Applicants' business or the Property (as defined below), except with the written consent of the Applicants and the Monitor, or with leave of the Court (the "**Stay of Proceedings**");

- (e) extending the benefit of the Stay of Proceedings to the Non-Applicant Stay Parties and their respective Directors and Officers;
- (f) relieving MPXI of any obligation to call and hold its annual general meeting of shareholders (the "**AGM**") until further Order of this Court; and
- (g) granting the following limited priority charges (collectively, the "**Charges**") over the Applicants' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (collectively, the "**Property**"):
 - (i) the Administration Charge (as defined below) in favour of the Monitor, counsel to the Monitor, and counsel to the Applicants;
 - (ii) the DIP Lenders' Charge in favour of the DIP Lenders (each as defined below); and
 - (iii) the Directors' Charge (as defined below) in favour of the Directors and Officers.

5. If the Initial Order is granted, the Applicants intend to return to Court within ten (10) days (the "**Comeback Hearing**") to seek approval of an amended and restated Initial Order, which, among other things, would:

- (a) extend the Stay of Proceedings;
- (b) increase the quantum of each of the DIP Lenders' Charge and the Directors' Charge;
- (c) approve a sale and investment solicitation process (the "SISP");
- (d) seek relief from certain securities reporting obligations; and
- (e) seek such other relief as may be required to advance the Applicants' restructuring.

II. OVERVIEW

6. MPXI is a reporting issuer listed on the Canadian Securities Exchange ("CSE"). It is the ultimate parent company to several companies in the cannabis industry in Canada and internationally, including Thailand, Malta and Switzerland. Through its Subsidiaries, its business and operations focus on production and resale, management consulting for cannabis companies, and cannabis education.

7. The Applicants are in a dire liquidity crisis and are not able to meet their obligations as they become due. Absent the approval of the additional financing proposed to be made available under the DIP Loan, the Company will not be able to fund its next payroll (which is paid in arrears) scheduled to be paid on or around July 29, 2022. Accordingly, there is significant urgency to this CCAA application and the relief sought pursuant to the Initial Order.

8. As a result, the Applicants are seeking protection under the CCAA to, among other things, obtain additional financing in order to continue operations and to implement the SISP that would

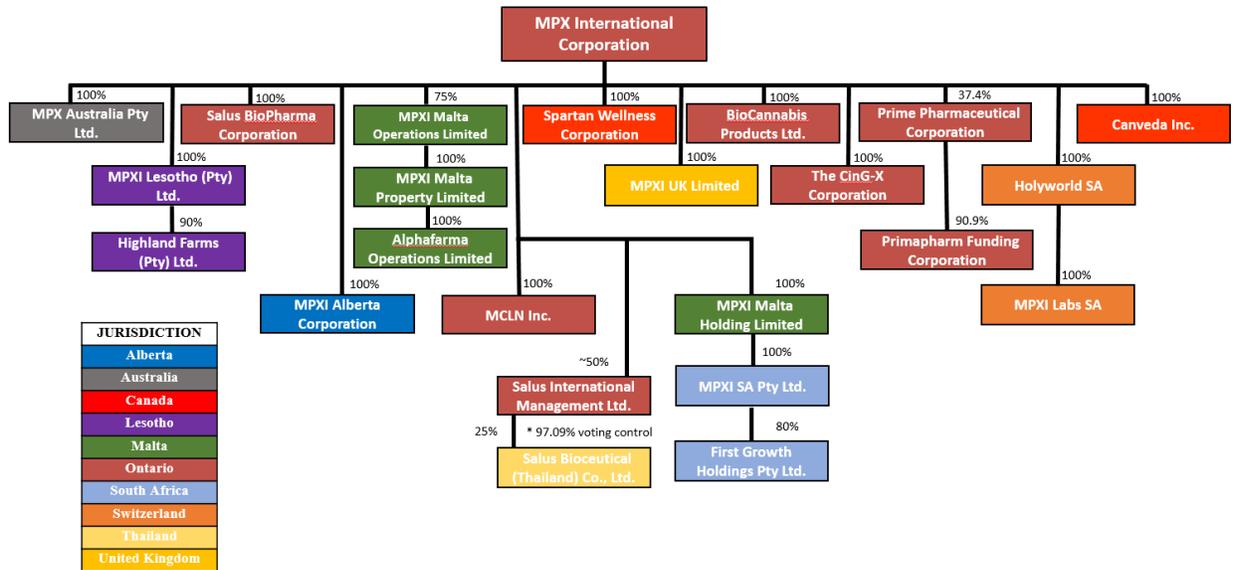
see the Company restructured and/or all or a portion of the Applicants' business and assets sold as a going concern.

9. Subject to certain conditions, including Court approval, certain of the Company's existing Debentureholders (as defined below) (collectively, and in such capacity, the "**DIP Lenders**") have agreed to provide additional financing through the DIP Loan to, among other things, provide the Applicants with the immediate access to funding needed to continue to operate and preserve the value of their operations while the SISP is conducted. As noted above, the relief in respect of the SISP is intended to be sought at the Comeback Hearing; no relief related to the SISP is being sought at this time.

10. The CCAA filing and the proposed SISP are intended to benefit all of the Company's stakeholders in Canada and internationally, including the Company's many employees, customers, suppliers and other contracting parties, Debentureholders, Health Canada, and the relevant provincial and foreign cannabis regulators.

III. CORPORATE STRUCTURE OF THE APPLICANTS

11. A copy of the Company's current corporate structure is attached hereto as Exhibit "A" and is reproduced below for ease of reference.



12. All of the Applicants are Canadian companies and, other than MPXI, are wholly-owned by MPXI. The Non-Applicant Stay Parties are registered in Canada, Lesotho, South Africa, Switzerland, Malta, Thailand, and the United Kingdom.

13. For the purpose of this affidavit and for greater certainty, all references to the Applicants include all of their predecessor entities.

A. MPXI

14. MPXI was incorporated under the name “2660528 Ontario Inc.” under the *Business Corporations Act* (Ontario), RSO 1990, c B.16 (“**OBCA**”) by articles of incorporation dated October 17, 2018, and it amended its articles to change its name shortly thereafter to “MPX International Corporation”. MPXI’s registered office, which is also its head office, is located at 5255 Yonge Street, Suite 701, Toronto, Ontario, Canada, M2N 6P4 (the “**Head Office**”). The Head Office functions as the head office for all of the Applicants. A copy of MPXI’s corporate profile report is attached hereto as Exhibit “B”.

15. At the time of its incorporation, MPXI was a subsidiary of MPX Bioceutical Corporation (“**MPX Bio**”). It was incorporated in order to effect a plan of arrangement (the “**Arrangement**”) among MPXI, MPX Bio and iAnthus Capital Holdings Inc. under the *Business Corporations Act* (British Columbia), SBC 2002, c 57, in accordance with the terms of an arrangement agreement entered into between iAnthus, MPX Bio and others, dated October 18, 2018.

16. MPXI was spun out of the business of MPX Bio as part of the terms of the Arrangement. The Arrangement contemplated that MPXI would acquire all of the non-U.S. business of MPX Bio. The U.S. business was acquired by iAnthus. The assets acquired by MPXI included BioCannabis, Canveda, CinG-X and Spartan.

17. The Arrangement was completed on February 5, 2019, and MPXI’s shares began trading on the CSE on February 6, 2019. At the time of the swearing of this affidavit, MPXI wholly-owns or has an interest in, directly or indirectly through the Subsidiaries, 23 companies across Canada, Australia, Lesotho, Malta, South Africa, Switzerland, the United Kingdom, and Thailand. MPXI wholly-owns each of the Applicants.

B. The Applicant Subsidiaries

(i) BioCannabis

18. BioCannabis was incorporated under the OBCA on December 11, 2014. Due to a clerical error, BioCannabis’ registered office is listed as 22 Adelaide Street West, Suite 2740, Toronto, Ontario, M5H 4E3. The Company is taking steps to have this corrected and replaced with the address of the Head Office. BioCannabis was the applicant for a cannabis licence which has since

been abandoned. BioCannabis currently has no material assets or operations. A copy of BioCannabis' corporate profile report is attached hereto as Exhibit "C".

(ii) *Canveda*

19. Canveda was incorporated under the *Canada Business Corporations Act*, RSC 1985, c C-44 (the "CBCA") on January 1, 2015 as "8423695 Canada Inc." and filed Articles of Amendment to change its name on October 19, 2018 to "Canveda Inc.". Canveda's registered office is the Head Office. Canveda is a licensed cultivator, processor, and seller under the *Cannabis Act*, S.C. 2018, c. 16, as amended and its related regulations (together, the "**Cannabis Act**"). It leases a cannabis facility at 760 Technology Drive, Peterborough, Ontario, which is its principal place of business. A copy of Canveda's corporate profile report is attached hereto as Exhibit "D".

(iii) *CinG-X*

20. CinG-X was incorporated under the OBCA on October 4, 2012. Due to a clerical error, CinG-X's registered office is listed as 22 Adelaide Street West, Suite 2740, Toronto, Ontario, M5H 4E3. The Company is taking steps to have this corrected and replaced with the address of the Head Office. CinG-X currently has no material assets or operations. A copy of CinG-X's corporate profile report is attached hereto as Exhibit "E".

(iv) *MCLN*

21. MCLN was incorporated under the OBCA in June 18, 2019 as 2702148 Ontario Inc., and it did business under the name KAAJENGA Cannabis (as it then was, "**KAAJENGA**"). MPXI acquired a 20% interest in KAAJENGA in July 2019, and acquired the remaining interest to become the sole shareholder of KAAJENGA in December 2019. Articles of Amendment were

filed to change the name of KAAJENGA to “MCLN Inc.” on September 15, 2020. MCLN’s registered office is the Head Office. MCLN is in the business of telehealth and cannabis education. A copy of MCLN’s a corporate profile report is attached hereto as Exhibit “F”.

(v) *MPXI Alberta*

22. MPXI Alberta was incorporated under the *Business Corporations Act* (Alberta), RSA 2000, c B-9 on December 6, 2019. MPXI Alberta’s registered office is located at 439 Rooney Crescent NW, Edmonton, AB, T6R 1C5. MPXI Alberta was incorporated to hold retail cannabis licenses for Alberta. However, this project has been abandoned, and MPXI Alberta currently has no material assets or operations. A copy of MPXI Alberta’s corporate profile report is attached hereto as Exhibit “G”.

(vi) *Salus BioPharma*

23. Salus BioPharma was incorporated under the OBCA October 29, 2019. Salus BioPharma’s registered office is the Head Office. Salus BioPharma was intended to develop pharma-grade cannabinoid-based medicinal products, preparations, and accessories. However, it currently has no material assets or operations. A copy of Salus BioPharma’s corporate profile report is attached hereto as Exhibit “H”.

(vii) *Spartan*

24. Spartan was incorporated under the CBCA on June 1, 2017 and filed Articles of Amendment dated July 19, 2017 with respect to its share structure. MPXI acquired Spartan pursuant to the Arrangement. Spartan’s registered office is located at the Head Office. Spartan’s business is focused on helping veterans reduce dependencies on highly addictive and unsafe

opioids by directing them towards medical cannabis. A copy of Spartan's corporate profile report is attached hereto as Exhibit "I".

(viii) *Non-Applicant Stay Parties*

25. Aside from the Applicants, MPXI has partial interests in certain Canadian entities. MPXI currently holds 10,000,000 out of the 20,000,180 common shares of Salus International Management Ltd. ("**Salus International**"), which was incorporated under the OBCA on June 19, 2020 as "2761780 Ontario Inc." and filed articles of amendment dated September 16, 2020 to change its name to "Salus International Management Ltd.". MPXI also holds 5,000,000 out of 9,900,000 of the issued and outstanding warrants of Salus International, which are convertible into common shares. However, pursuant to recently completed short-term financing (which is discussed in more detail below), MPXI has granted certain options that would allow investors to purchase nearly 50% of the common shares and warrants of Salus International held by MPXI.

26. Salus International controls voting shares representing over 97% of the votes of a Thai corporation, Salus Bioceutical (Thailand) Co., Ltd. ("**Salus Bioceutical**"), and has the right to appoint four out of the six directors pursuant to a unanimous shareholders agreement executed August 7, 2020. Salus Bioceutical is a key and valuable asset for MPXI, and its continued operations will be important for the Applicants to successfully restructure their affairs. As discussed in more detail below, if the DIP Loan is approved, funds will immediately be sent to satisfy Salus Bioceutical's working capital needs.

27. MPXI also holds 37.4% of Prime Pharmaceutical Corporation, which in turn holds more than 90% of the shares of Primapharm Funding Corporation. Both of these companies were incorporated under the laws of Ontario. MPXI is not involved in the day-to-day operations of either

of these companies, and as such, neither of these entities are intended to be Applicants or Non-Applicant Stay Parties.

28. In addition to the Canadian entities, the Non-Applicant Stay Parties are registered in the following jurisdictions:

- (a) **Australia:** MPX Australia Pty Ltd.;
- (b) **Lesotho:** MPXI Lesotho (Pty) Ltd. and Highland Farms (Pty) Ltd.;
- (c) **Malta:** MPXI Malta Operations Limited, MPXI Malta Property Limited, Alphafarma Operations Limited and MPXI Malta Holding Limited;
- (d) **Switzerland:** Holyworld SA and MPXI Labs SA;
- (e) **South Africa:** MPXI SA Pty Ltd. and First Growth Holdings Pty Ltd.;
- (f) **Thailand:** Salus Bioceutical; and
- (g) **United Kingdom:** MPXI UK Limited.

29. Most of these Non-Applicant Stay Parties are essentially holding companies without any material assets or operations. The Non-Applicant Stay Parties with material operations and assets are discussed in more detail below.

30. Notwithstanding that these parties are not Applicants, as described in further detail below, the Applicants believe that it is critical to the best interests of the Applicants and their stakeholders to extend the benefits of the Stay of Proceedings to the Non-Applicant Stay Parties. The rationale and support for such requested relief is set out in further details below. In short, the Non-Applicant

Stay Parties are highly integrated with the Applicants and will benefit from the DIP Loan, should it be approved by this Court, which will facilitate going concern operations and will maximize the value of the entire corporate group.

IV. BUSINESS OF THE COMPANY

A. The Cannabis Industry in Canada

31. The cannabis industry has evolved, and continues to evolve, rapidly in Canada. Licenses to cultivate, process and/or sell cannabis, among other things, are regulated under the Cannabis Act.

32. On October 17, 2018, recreational use of cannabis was legalized in Canada. On that date, the Cannabis Act, which regulates retail cannabis for recreational adult-use, medical cannabis and industrial hemp in Canada, came into effect. Additionally, cannabis was removed as a controlled substance from the *Controlled Drugs and Substances Act*, S.C. 1996, c. 19, and the *Access to Cannabis for Medical Purposes Regulations*, SOR/2016-230 was repealed.

33. On October 17, 2019, the Cannabis Act was amended to broaden the scope of legal cannabis products, to include edible cannabis, cannabis extracts and cannabis topicals.

34. The cannabis industry continues to be a highly regulated industry, with the Cannabis Act regulating the possession, cultivation, production, distribution, sale, research, testing, import, export and promotion of cannabis.

B. The Company's Business

35. MPXI is a multinational diversified cannabis company in the business of developing and operating assets across the international cannabis industry with an emphasis on cultivating, manufacturing and marketing products which include cannabinoids as their primary active ingredient. MPXI's business is conducted through its Subsidiaries. A high-level description of the business of the Applicants and the Non-Applicant Stay Parties is discussed below.

1. Business of the Applicants

36. The Applicants' operations are largely based in Ontario, Canada. As discussed above, the Head Office is located in Toronto. MPXI also maintains an operational office in Ottawa. In addition, Canveda has a cannabis facility in Peterborough. The following is a summary of the material assets and business segments of the Applicants.

(i) Cannabis Facilities and Licenses

37. The Canadian cannabis "plant-touching" operations of the Company are conducted through Canveda. Canveda is a licensed cultivator, processor, and seller under the Cannabis Act, and maintains a fully constructed 12,000 square foot facility located in Peterborough, Ontario that produces high quality cannabis flower (the "**Canveda Facility**"). As described in more detail below, the Canveda Facility is leased from Satara Financial Corporation ("**Satara**").

38. Canveda produces and distributes three main types of products: (i) cannabis flower; (ii) cannabis extract and related products; and (iii) cannabis derivatives, including edibles and concentrates. MPXI owns several recognized medicinal and recreational cannabis brands and products that are produced and distributed by Canveda. These recreational brands are available in

the Provinces of Alberta, British Columbia, Ontario, and Saskatchewan. Its recreational brand portfolio includes: (i) flower and pre-roll products; (ii) vapes; (iii) edibles; (iv) oils and capsules; and (v) soft gels.

39. Canveda holds the following licenses (collectively, the “**Canveda Licenses**”):

- (a) a license issued by Health Canada to produce, sell, and export all categories of authorized Canadian cannabis products, including topicals, extracts and edibles (the “**Health Canada License**”). The Health Canada License was most recently amended to allow for the production and sale of certain “Cannabis 2.0” products, including extracts, vapes, tablets, and topical creams. The Health Canada License expires June 11, 2023. The Health Canada License is attached hereto as Exhibit “J”;
- (b) a license issued by the Canada Revenue Agency authorizing Canveda to purchase excise stamps for the purposes of collecting and remitting excise duty on cannabis products that expires on October 16, 2022, which is attached hereto as Exhibit “K”;
- (c) a license issued by the Alberta Gaming, Liquor & Cannabis Commission authorizing Canveda to market cannabis products in Alberta as a Cannabis Representative that expires on March 18, 2024, which is attached hereto as Exhibit “L”; and
- (d) a license issued by the Saskatchewan Liquor and Gaming Authority authorizing Canveda to supply cannabis to Saskatchewan from its Peterborough location. The email confirmation of this license is attached hereto as Exhibit “M”.

(ii) *Telehealth and Cannabis Educational Business*

40. Two of MPXI's Subsidiaries – Spartan and MCLN – focus on telehealth and cannabis education. Spartan's business is focused on helping veterans suffering from various ailments, mostly psychological, to reduce or eliminate dependencies on highly addictive and unsafe opioids by directing them towards medical cannabis. Spartan has educational agreements with several cannabis license holders. In addition, Spartan assists veterans through Veteran Affairs Canada to increase the amount of medical cannabis purchases for which they can be reimbursed.

41. MCLN operates the Medical Cannabis Learning Network platform, which among other things, functions as: (i) a private on-line educational platform that provides information about the use of medical cannabis; (ii) a telemedicine medium providing patient access to medical practitioners for advice and cannabis prescriptions from Spartan; and (iii) a sales platform for licensed cannabis sellers. MCLN earns educational and consultation fees from licensed cannabis producers and distributors that subscribe to its services. MPXI has fully integrated the Medical Cannabis Learning Network technology into Spartan to allow Spartan to expand its service beyond veterans.

(iii) *Other Applicants*

42. As discussed above, BioCannabis, CinG-X, MPXI Alberta, and Salus BioPharma currently do not have any material assets or operations.

2. *Business of the Non-Applicant Stay Parties*

43. Aside from the Applicants, the Company has material assets, including certain leased facilities and licenses, as follows:

(i) *Operations in Thailand*

44. Salus International, which is registered under the OBCA, was incorporated to provide design, planning, financing, training, and on-going operational support to cannabis initiatives, partnerships, and joint ventures in southeast Asia. Its revenue is generated primarily from fees charged for the supply of management services.

45. Salus International is a party to a management services agreement (the “**Management Services Agreement**”) with Salus Bioceutical, a Thailand-based medical cannabis company that Salus International jointly owns and over which it controls over 97% of the votes. Pursuant to the Management Services Agreement, Salus International provides design, construction and technical support services, as well as ongoing management support. In exchange for a combination of management fees, handling and interest charges and a percentage of net income, Salus International receives at least 90% of the net income of Salus Bioceutical. The Management Services Agreement is attached hereto as Exhibit “N”.

46. Salus Bioceutical is a joint venture between Salus International and various Thai investors. It is involved in the cultivation, processing and distribution of high-quality, EU-GMP compliant, medical-grade cannabis products such as CBD distillate, isolate powder, and water-soluble isolate for the medical community in Thailand.

47. From March 2021 to September 2021, Salus International raised approximately US\$10 million pursuant to a private placement from investors, primarily in Thailand. The purpose of this private placement was to provide financial backing to Salus Bioceutical in the form of an interest-bearing, secured loan to fully fund the first two phases of the development of a cannabis production facility.

48. In partnership with Salus International, Salus Bioceutical recently opened an 800 m² cannabis/hemp production plant (the “**Thai Facility**”), which is expected to have an annual capacity for the extraction of over 200,000 kilograms of biomass, and production of over 50,000 liters of CBD oil or 90,000 kilograms of isolate powder and water-soluble CBD isolate. The Thai Facility is leased pursuant to two Land and Construction Lease Contracts, and Salus Bioceutical also leases office space in Bangkok, Thailand.

49. Salus Bioceutical holds several licenses and certificates allowing it to produce cannabis-related products. Among these is a hemp extraction license, which allows Salus Bioceutical to operate and extract hemp flower legally under the laws of Thailand, making it one of the first companies in Thailand with complete licensing for CBD manufacturing. Salus Bioceutical plans to initially produce EU-Good Manufacturing Practice (“**EU-GMP**”) compliant, medical-grade cannabis products such as CBD distillate, isolate powder, and water-soluble CBD isolate for domestic sales, and branch out into various other market sectors. EU-GMP Certification is the highest standard for pharmaceutical production in the world and it is issued by a designated competent authority in Europe to pharmaceutical facilities that have passed a rigorous regulatory inspection process. The Salus Bioceutical licenses are mostly in Thai, and accordingly have not been attached hereto as Exhibits.

50. Salus Bioceutical is an important Subsidiary with material assets and operations into which the Company has invested significant financial and other resources. Accordingly, it is critical for the Company that Salus Bioceutical be able to continue its operations without disruption. To do this, Salus Bioceutical will need to be able to immediately access funds advanced pursuant to the DIP Loan, and to receive the benefit of the Stay of Proceedings.

(ii) Operations in Switzerland

51. Holyworld SA is a wholly-owned Subsidiary that operates in Switzerland. Holyworld SA wholly owns MPXI Labs SA, a company that is in the cannabis extraction and distillation business in Switzerland. Holyworld SA leases a laboratory in Switzerland that can produce up to 30kg of high-quality distillate per month while operating a single shift (the “**HolyWeed Lab**”). The production from the HolyWeed Lab will be sold into the wholesale market and is also being used in “HolyWeed” branded products sold through the HolyWeed retail store in Geneva, the HolyWeed e-Commerce store, and online. HolyWeed branded products include cannabis oils, vaping products, and other cannabis accessories. Holyworld SA has struggled with cash flow resulting in material unpaid liability, and the Stay of Proceedings will be important in protecting Holyworld SA’s assets from counterparties.

(iii) Operations in South Africa

52. In February 2020, MPXI SA Pty Ltd. (“**MPXI SA**”), which is wholly-owned by MPXI Malta Holding Limited (a wholly-owned subsidiary of MPXI) acquired an 80% interest in First Growth Holdings (Pty) Ltd. (“**First Growth**”). On March 1, 2021, First Growth obtained a Licence to Cultivate Cannabis for Purposes of Producing Scheduled Substances (the “**South Africa Licence**”) under the *Medicines and Related Substances Act*, No. 101 of 1965 (South Africa) from the South African Health Products Regulatory Authority, which authorizes First Growth to cultivate and export cannabis at the facility it leases in Sonop, South Africa. The South Africa License is attached hereto as Exhibit “O”.

53. Although the commencement of its operations in South Africa has been delayed by the COVID-19 pandemic, First Growth has made significant progress towards the construction of a

half-hectare (53,000 sq. ft.) high-tech greenhouse on the Sonop farm (the “**First Growth Facility**”). The First Growth Facility is leased pursuant to an agreement between The Trustees for the time being of the Backberg Trust (as Lessor), First Growth (as Lessee), and MPXI (which guaranteed that First Growth will comply with all of its obligations pursuant to the lease agreement). Full development of the First Growth Facility contemplates for up to six (6) hectares (approximately 646,000 square feet) of advanced EU-Good Agricultural Practices (“**EU-GAP**”) certified greenhouse cultivation space and an EU-GMP certified extraction and processing laboratory. The biomass produced from the First Growth Facility is expected to primarily support the Company’s operations in Malta.

(iv) *Operations in Malta*

54. MPXI Malta Operations Ltd. (“**Malta Operations**”) is a Maltese company in which MPXI holds 75% of the voting shares.² Malta Operations was awarded a letter of intent from Malta Enterprise, the economic development agency for the Republic of Malta, to receive a license to import, extract, produce finished products and distribute cannabis and cannabis derivatives (the “**Malta License**”) for medicinal use in Malta and export to certain international markets, including the EU. The buildout of its “GMP-ready” facility in Malta has substantially been completed, including all site infrastructure, clean rooms and the environment required to support the attainment of an EU-GMP certification for flower packaging. The Malta Facility is leased by Malta Operations pursuant to a lease agreement with a Maltese company acting as the landlord.

² MPXI currently holds 75% of the voting shares of Malta Operations (all of which are “Class A Shares”), and an unrelated Maltese company holds the remaining 25% of the voting shares (all of which are “Class B Shares”). MPXI previously held 80% of the voting shares of Malta Operations, and the decrease in its percentage of shares held is a result of a clerical error. The Maltese company that holds the remaining shares has agreed to transfer 5% of the total voting shares in Malta Operations to MPXI to correct this error.

55. Following the substantial completion of the Malta Facility, Alphafarma Operations Ltd. (“**Alphafarma**”), a company wholly-owned by Malta Operations through MPXI Malta Property Limited, received EU-GMP Certification from the Medicines Authority of Malta (the “**MMA**”) to finish dried cannabis flower in jars for medicinal use at the Malta Facility. A copy of this license is attached hereto as Exhibit “P”. Alphafarma has negotiated a favourable supply agreement with a licensed producer of cannabis flower which is intended to be supplemented with additional biomass from the First Growth Facility once available.

56. Alphafarma has also received its License for the Production of Cannabis for Medicinal and Research Purposes, which allows Alphafarma to begin commercial production and export of finished medical cannabis flower products from Malta into markets across the EU and elsewhere. This license is attached hereto as Exhibit “Q”.

C. Employees

1. General Overview

57. The Company employs 43 people through MPXI, Canveda, and Spartan in Canada and an additional 70 employees internationally through certain of the Non-Applicant Stay Parties (collectively, the “**Employees**”). The Employees and their designations are detailed in the chart below:

Employee Designation	MPXI	Canveda	Spartan	Canada Total	Alphafarma	Salus Biocetical	Overall Total
<i>Full Time (Salaried)</i>	7	7	13	27	6	64	95

<i>Full Time</i>	-	14	-	14	-	-	14
<i>(Hourly)</i>							
<i>On Leave</i>	1	-	1	2	-	-	2
Total	8	21	14	43	6	64	113

58. MPXI employs five individuals on a contract basis, and Spartan employs one individual on a contract basis. MPXI also pays a salary to two directors. Salus Bioceutical is also a party to several compensation agreements through which it has engaged certain individuals as consultants. None of the employees of the Company are unionized.

59. The aggregate payroll, and respective payroll providers, for the relevant entities are as follows:

- (a) MPXI – approximately \$90,000/month (administered through Wagepoint);
- (b) Canveda – approximately \$92,000/month (administered through Wagepoint);
- (c) Spartan – approximately \$79,000/month (administered through Wagepoint);
- (d) Alphafarma – approximately \$43,000/month (administered through KayEm Consulting); and
- (e) Salus Bioceutical – approximately \$112,150/month (administered internally).

60. The Company has had difficulty with its cash flow since the onset of the COVID-19 pandemic and has been unable to meet certain of its obligations as they come due. As a result, and in order to facilitate certain financing, certain senior employees have agreed to salary and non-

salary related holdbacks. As of June 30, 2022, the Company has accrued approximately CA\$537,944.79 in connection with such holdbacks.

(b) Severance Entitlements

61. Certain named executive officers (“NEOs”) of MPXI are parties to employment contracts which require MPXI to make certain types of payments and provide certain types of benefits in the event that the NEO is terminated without cause. In addition, MPXI has entered into management consulting contracts with certain NEOs which require MPXI to make certain types of payments and provide certain types of benefits to the NEOs upon termination. Details in respect of these entitlements are discussed in the Management Information Circular dated June 30, 2022, which was issued in connection with MPXI’s annual general meeting which was originally scheduled to be held on July 15, 2022.

62. As of March 31, 2022, \$160,555 was owed by Holyworld SA as result of pension obligations to certain former employees in Switzerland. Holyworld SA does not currently have any employees.

D. Owned and Leased Real Property

63. The Company does not own any real property.

64. MPXI leases certain office space, including the Head Office and an office located at 555 Leggett Drive, Tower B, Suite 536, Ottawa, ON (the “**Ottawa Office**”). Canveda leases the Canveda Facility at 760 Technology Drive, Peterborough, Ontario.

65. The Head Office was originally leased pursuant to a lease agreement dated March 24, 2017 between the Investors Group Trust Co. Ltd. as Trustee for Investors Real Property Fund as Landlord (“**Investors**”) and the Canadian Bioceutical Corporation (which later changed its name to MPX Bioceutical Corporation) as Tenant (the “**Head Office Lease**”). The Head Office Lease has been amended on February 27, 2018, July 31, 2018, and April 8, 2019. The Head Office Lease was assigned to MPXI on January 14, 2019. As of the most recent amendment dated April 8, 2019, the Landlord for the Head Office Lease is Investors and CR4 5255 Yonge Inc., and the Tenant is MPXI. The Head Office Lease now also includes Suite 705 as well as Suite 701. Rent for the Head Office has been paid through July 2022. The Head Office Lease and its amendments are attached hereto as Exhibit “R”.

66. The Ottawa Office is leased pursuant to a lease agreement dated April 12, 2019 between KRP Properties as the Landlord and MPXI as the Tenant (the “**Ottawa Office Lease**”). The Ottawa Office Lease was amended in order to extend its term on September 22, 2021. Rent has been paid through June 2022. The Ottawa Office Lease and its amendment is attached hereto as Exhibit “S”.

67. The Canveda Facility was originally leased pursuant to a lease agreement dated November 15, 2013 between Satara Financial Corporation as the Landlord and Canveda (then doing business as Hansen Agio) as the Tenant. This lease has been extended twice, most recently on January 25, 2019, and currently expires on November 14, 2024. Rent, which is payable mid-month, has been paid through May 15, 2022. The Canveda Lease and its amendments are attached hereto as Exhibit “T”.

68. Certain Applicants are also parties to leases for property that are not being used for current operations. Following the Comeback Motion, the Applicants intend to disclaim such leases without prejudice to the position that such leases are already at an end.

69. Certain Non-Applicant Stay Parties also lease premises in Switzerland, Malta, and South Africa. MPXI guaranteed that First Growth will comply with all of its obligations pursuant to the lease agreement for the First Growth Facility in South Africa. Pursuant to multiple comfort letters, MPXI has also undertaken to pay rent for certain facilities in Switzerland in the event that Holyworld SA, the tenant, is unable.

E. Suppliers

70. The Applicants rely on a number of vendors and third-party service providers to operate their business. For instance, various cannabis product providers, lab services, and utility and technology providers are essential to the Applicants' operations. The Applicants are not current with respect to many of these obligations. Specifically, as of July 20, 2022, Canveda had non-current accounts payable of \$789,565.86, Spartan had non-current accounts payable of \$126,409.49, and MPXI had non-current accounts payable of \$799,635.98.

F. Excise Duty and Other Taxes

71. Cannabis producers in Canada are required to post security pursuant to the *Excise Act, 2001*, S.C. 2002, c. 22. The security provides the Canada Revenue Agency ("CRA") with financial assurance for any outstanding excise duty payable. The security can be posted in the form of a surety bond or a deposit with the CRA. MPXI has posted a deposit with the CRA as security for excise duty payable.

72. The security required to be posted with the CRA is calculated as the highest amount of cannabis duties payable for a calendar month in the previous twelve calendar months. These duties are calculated, in part, based on the expected number of grams or milligrams of packaged cannabis products to be sold to the recreational market. As of July 21, 2022, MPXI has approximately \$503,302 in excise tax arrears. MPXI has agreed to a payment plan with the CRA pursuant to which it will pay \$20,000 per month. This agreement has not been formally documented.

73. Certain of the Applicants are also in arrears with respect to HST. As of July 21, 2022, Canveda had approximately \$132,106 payable and Spartan had approximately \$46,491 payable. As of the same date, MPXI had approximately \$113,676 receivable. Each of these companies is behind on HST filings, so the amounts payable/receivable are subject to material variation.

G. Intellectual Property

74. As part of the above-mentioned Arrangement, MPX Bioceutical ULC (which was the owner of MPX Bio's intellectual property) and MPXI executed an IP License and Transitional Services Agreement through which MPX Bioceutical ULC agreed to grant MPXI a perpetual, exclusive, royalty-free, fully paid-up license to use, advertise and display the MPX brand and its licensed trademarks and to exploit certain licensed technology and the intellectual property related thereto on a worldwide basis excluding the United States of America.

75. MPXI also acquired certain trademarks from 11157337 Canada Corp. and H12 Brands Inc. through a Deed of Assignment dated December 17, 2021. Most of the remaining IP owned by the Company is held by MPXI, with certain other trademarks and brands being held by specific Subsidiaries.

H. Cash Management and Credit Cards

76. The Applicants maintain 17 bank accounts with the following institutions: Alterna Savings and Credit Union, Bank of Montreal, and Corpay. The Company's cash management system is managed by MPXI. The Company has no credit cards. MPXI maintains unsecured intercompany loan accounts with many of its Subsidiaries, and money flows between MPXI and the Subsidiaries against these intercompany loan accounts.

V. FINANCIAL POSITION OF THE APPLICANTS

77. A copy of the Company's unaudited consolidated balance sheet as at March 31, 2022 is attached hereto as Exhibit "U". Certain information contained in this unaudited balance sheet is summarized below.

78. The Applicants have struggled with cash flow, and since March 31, 2022, the cash position of the Applicants has deteriorated significantly. The cash on hand for the Applicants at the close of business today is expected to be approximately \$169,196.

A. Assets

79. As at March 31, 2022, the Company had total consolidated assets with a book value of approximately \$47,133,302, which consisted primarily of the following:

Asset Type	Book Value (Applicants only)	Book Value (Consolidated)
Current Assets (Total):	\$4,427,013	\$8,552,615
Cash	\$335,614	\$916,071
Amounts Receivable	\$884,615	\$1,800,344

Asset Type	Book Value (Applicants only)	Book Value (Consolidated)
Inventory	\$2,814,252	\$3,925,349
Biological Assets	\$226,485	\$226,485
Prepaid Expenses	\$166,046	\$173,103
Deposits short term	-	\$1,441,996
Non-Current Assets (Total):	\$19,100,608	\$38,580,688
Deposits	\$244,987	429,553
ROU assets	\$1,354,899	2,912,196
Property plant and equipment	\$1,564,219	16,832,828
Intangible assets	\$15,936,382	18,406,111
Total	\$23,527,621	\$47,133,302

B. Liabilities

80. As at March 31, 2022, the Company had total consolidated assets with a book value of approximately \$37,244,120, which consisted primarily of the following:

Liability Type	Book Value (Applicants only)	Book Value (Company)
Accounts Payables and Accrued Liabilities	\$5,368,000	\$9,344,064
Tax liability	\$450,410	\$450,410
Convertible debentures, net	\$18,642,955	\$18,642,955
Option component of convertible debt	\$2,017,658	\$2,017,658
Other	\$(22,154,856)	\$6,789,033

Liability Type	Book Value (Applicants only)	Book Value (Company)
Total	\$4,324,166	\$37,244,120

81. As of July 21, 2022, the total face value of the principal of outstanding convertible debentures is US\$19,281,000.

C. Secured Obligations

1. The Debentures

82. MPXI has closed multiple tranches of a private placement offering (the “**Offering**”) of units (the “**Units**”) of MPXI. Each Unit consists of (i) one 12% secured convertible debenture of MPXI (the “**Debentures**”, and the holders of the Debentures the “**Debentureholders**”) in the principal amount of US\$1,000 and (ii) (A) prior to September 1, 2021, 7,000 common share purchase warrants (each, a “**Unit Warrant**”), and (B) on or after September 1, 2021, 10,000 Unit Warrants. Until recently, each Debenture had a maturity date of twenty-four months from its respective date of issuance. The Debentures were issued pursuant to a debenture indenture dated June 30, 2020 between MPXI and AST Trust Company Canada (now TMX Trust Company) as the trustee (in such capacity, the “**Trustee**”), which has since been amended four times, most recently on May 5, 2022 (collectively with such amendments, the “**Debenture Indenture**”). The Debenture Indenture is attached hereto as Exhibit “V”. As a result of the most recent amendment to the Debenture Indenture, all of the Debentures now mature on December 31, 2023.

83. Pursuant to the Debenture Indenture, the Debentures bear interest at 12% per annum from their issue date, payable in arrears on the last day of March, June, September and December in each year, commencing December 31, 2020 (the “**Coupon Date**”).

84. The Debenture Indenture contains a covenant pursuant to which MPXI is obligated to achieve positive EBITDA of no less than \$350,000 for each fiscal quarter commencing with the quarter ended December 31, 2020. MPXI has not achieved positive EBITDA during any of the fiscal quarters within this period; however, MPXI’s performance of the EBITDA covenant has been extended due to the force majeure provision, which was triggered by the COVID-19 pandemic.

85. The failure to abide by any covenant under the Debenture Indenture is an event of default, and the failure to pay the principal when due or interest within ten days of its due date are both explicitly listed as events of default under the Debenture Indenture. For most events of default, the Trustee may, on consent of at least 50% of the Debentureholders, declare that all amounts owing under the Debentures are immediately due and payable. An event of default arising as a result of the failure to pay principal when due, interest within ten days of being due, or the failure in the delivery when due of cash and any common shares payable on conversion within 30 days, automatically accelerates all amounts owing in respect of the Debentures and such amounts become immediately due and payable without any further action of the Trustee.

86. MPXI has struggled to make interest payments under the Debenture Indenture. MPXI failed to make interest payments on the following Coupon Dates: March 31, 2021; September 30, 2021; December 31, 2021; and March 31, 2022. In each case, waivers of the Event of Default related to the payment of interest were executed by Debentureholders.

87. To satisfy these interest payments and other conditions precedent to continued funding by Debentureholders, the Debenture Indenture has been amended to allow MPXI to satisfy the interest payments without providing cash. First, MPXI has satisfied the payment of interest on June 30, 2021 and June 30, 2022 through the issuance of additional Units. Further, the amendments have allowed MPXI to deposit cash interest due on certain Coupon Dates that had not been paid by MPXI as principal amounts owing under certain short-term bridge loan financings (the “**Bridge Loans**”). In addition to providing that the aforementioned cash interest due on such Coupon Dates would be deposited as the principal amount owing under the Bridge Loans, such principal amounts of the Bridge Loans, as described below, would be convertible into Units in the Offering on terms favourable to the Bridge Loan lenders.

88. To date, there have been three Bridge Loans, each of which was drawn down in several tranches. The most recent Bridge Loan (the “**3rd Bridge Loan**”) expanded and revised the terms of the previous Bridge Loans (which had raised a total of US\$3,183,752 and US\$1,827,333, respectively) into further short-term loan financing that ultimately raised an additional US\$4,909,097 from a group of investors that was drawn down in several tranches. In total, the three Bridge Loans raised approximately US\$9,920,182. MPXI also issued certain warrants and options to the 3rd Bridge Loan lenders, including options to purchase shares and warrants in Salus International. The 3rd Bridge Loan also allowed for the optional participation of certain deferred salaries, through which the amount of deferred salaries would be rolled into the principal owing under the 3rd Bridge Loan. One member of management has had its deferred salary rolled into the principal. As discussed above, all of the amounts advanced by investors pursuant to the Bridge Loans were convertible into the Units in the Offering at a conversion premium, and all have since been converted into Units.

89. MPXI's obligations in respect of the Debentures are secured by the following:
- (a) a general security agreement dated June 30, 2020 securing all of the present and after-acquired property of MPXI (the "**Security Agreement**"), which is attached hereto as Exhibit "W"; and
 - (b) a pledge agreement dated June 30, 2020 by MPXI pledging all of the shares it holds of BioCannabis, Canveda, Holyworld SA, MCLN (at the time, 2702148 Ontario Inc.), MPX Australia Pty. Ltd., MPXI Alberta, MPXI Malta Holding Limited, MPXI Malta Operations Limited, MPXI UK Limited, Salus BioPharma, Spartan, and CinG-X. On September 14, 2021, MPXI also deposited its shares in Salus International with the Trustee and amended the Schedule to the pledge agreement to reflect this. The pledge agreement and its amended schedule is attached hereto as Exhibit "X".
90. The Debenture Indenture is guaranteed by each of BioCannabis, Canveda, Holyworld SA, MCLN (at the time, 2702148 Ontario Inc.), MPX Australia Pty Ltd, MPXI Alberta, MPXI UK, MPXI Malta Operations Limited, Salus BioPharma, Spartan and CinG-X pursuant to a guarantee agreement dated June 30, 2020, as well as MPXI Malta Holding Limited pursuant to a separate guarantee agreement with the same date (the parties that entered the guarantee agreements, the "**Guarantors**"). The Debenture Indenture did not specifically contemplate MPXI UK Limited providing a guarantee, but it is nonetheless a party to the guarantee agreement. The guarantee agreements are attached hereto as Exhibit "Y". Each of the Guarantors other than Holyworld SA executed general security agreements securing its present and after acquired property, which are

attached hereto as Exhibit “Z”. Holyworld SA did not execute a general security agreement due to certain restrictions under Swiss law, but instead entered into a separate pledge instrument.

2. Letter of Credit

91. In connection with a letter of credit and indemnity agreement dated April 4, 2019, Canveda agreed to assign a term deposit as security in favour of Alterna Savings and Credit Union Ltd. (“**Alterna**”). The term deposit was assigned on April 12, 2019, and Alterna has registered a security interest in the amount of \$40,000. The assignment of the term deposit and the letter of credit and indemnity agreement are attached hereto as Exhibit “AA”.

D. Unsecured Obligations

1. Third Party Suppliers

92. Given the nature of its business, the Applicants rely on a number of vendors and third party service providers and, as such, are party to a number of agreements for the provision of certain essential services including, among other things, insurance, phone and internet, security, utilities, professional costs and other services provided in connection with operating a business in the cannabis industry. As discussed above, as of the date of this affidavit, the Applicants are indebted to several third party suppliers.

2. Litigation

93. Certain of the Applicants are defendants in ongoing litigation. At the time of the swearing of this affidavit, the following claims have been issued against certain Applicants in Canada:

- (a) a claim by Ninth Square Capital Corporation (“**Ninth Square**”), a former shareholder of Spartan, against MPXI and other parties to the Arrangement (including certain directors and officers of the Applicants) seeking \$3 million (the “**Ninth Square Claim**”). The Ninth Square Claim was brought pursuant to s. 248 of the OBCA, and alleges that the Arrangement was oppressive and unfairly prejudicial to the interests of Ninth Square. MPXI has issued a counterclaim in these proceedings;
- (b) a claim by Lifestyle Management Inc. (“**LMI**”) against MPXI, MCLN, and certain other individuals seeking \$530,000 (the “**LMI Claim**”). The LMI Claim alleges breach of contract and misrepresentation;
- (c) a claim by Techhi Consultants Limited (“**Techhi**”) against MPXI seeking \$94,800 (the “**Techhi Claim**”). The Techhi Claim alleges breach of contract; and
- (d) a claim by MAT 4 Site Engineers Ltd. (“**MAT4**”) against MPXI, BioCannabis, and other parties seeking \$23,306.25. MAT4 claims for damages and a declaration that it is entitled to a construction lien.

3. Employee Liabilities

94. As discussed above, certain employees have already had salary and non-salary related holdbacks. The Company’s ability to meet future payroll obligations is contingent on the granting of the relief sought in the Initial Order.

4. Other Unsecured Liabilities

95. Certain Non-Applicant Stay Parties have other material unsecured liabilities. These include certain obligations incurred by Salus Bioceutical and First Growth. Salus Bioceutical is a party to a loan agreement with another Thai company, pursuant to which it borrowed 75 million baht. This loan is guaranteed by Salus International. I understand that this loan is in good standing. In addition, First Growth is a borrower pursuant to certain promissory notes. Pursuant to one promissory note in the principal amount of up to US\$500,000 dated February 18, 2020, the lender may exercise a put option allowing the note and all rights therein to be assigned to MPXI, subject to the occurrence of certain conditions precedent. This loan is payable and has been put to MPXI.

E. Other Obligations

96. The Company also engages in intercompany borrowing, through which parent companies lend funds to their subsidiaries. For example, MPXI has advanced unsecured loans to Subsidiaries such as Canveda, First Growth, Holyworld SA and Alphafarma. Another example of this is the secured loan that was advanced to Salus Bioceutical by Salus International. The purpose of these loans is often to fund specific projects or more generally to provide working capital.

VI. THE PROPOSED INTERIM FINANCING

97. On July 25, 2022, the following parties entered into a binding term sheet in respect of the DIP Loan (the “**DIP Term Sheet**”):

- (a) the Applicants as the borrowers (in such capacity, the “**Borrowers**” and each a “**Borrower**”);

- (b) Malta Operations, MPXI Malta Property Limited, Alphafarma, MPXI Malta Holding Limited, MPXI SA Pty Ltd., First Growth, MPX Australia Pty Ltd., MPXI Lesotho (Pty) Ltd., Highland Farms (Pty) Ltd., MPXI UK Limited, Holyworld SA, MPXI Labs SA, and any other wholly-owned subsidiaries of any Borrower and/or guarantor as the guarantors;
- (c) and certain of the existing Debentureholders, as listed on Schedule D of the DIP Term sheet as the lenders (in such capacity, the “**DIP Lenders**”, and each a “**DIP Lender**”). I am advised by Dentons LLP Canada, counsel to the DIP Lenders, that the DIP Lenders hold approximately 52% in value of the Debentures.

98. The DIP Term Sheet contemplates that all Debentureholders will have the opportunity to participate in the DIP Loan as DIP Lenders in at least their pro rata amount. A copy of the DIP Term Sheet is attached hereto as Exhibit “BB”.

99. The DIP Term Sheet provides for a super-priority, non-revolving credit facility up to a maximum principal amount of \$2.67 million (the “**DIP Loan**”). The amounts drawn and outstanding under the DIP Loan will bear interest at a rate per annum equal to 12%. Interest on the principal amount outstanding shall be capitalized monthly in arrears and payable on the Termination Date (as defined in the DIP Term Sheet).

100. The DIP Loan matures three months from the date of the initial advance, and includes a commitment fee of 2% of the total amount of the DIP Loan which shall be fully earned upon issuance of the DIP Order and paid on the Termination Date.

101. The DIP Loan is conditional, among other things, upon the granting of a priority charge over the Property in favour of the DIP Lenders to secure the amounts borrowed under the DIP Loan (the “**DIP Lenders’ Charge**”). In accordance with the DIP Term Sheet, the DIP Loan is to be used during these CCAA proceedings (the “**CCAA Proceedings**”) to fund the Borrowers’ working capital needs during the CCAA Proceedings.

102. It is a condition precedent to the first advance under the DIP Loan that, among other things, all head office staff be terminated, with the exception of those employee(s) who are retained with the DIP Lenders’ consent on such terms as the DIP Lenders’ consent to. The DIP Loan is subject to other customary covenants, conditions precedent, and representations and warranties made by the Applicants to the Lender.

103. The amount of the DIP Loan to be funded during the initial Stay of Proceedings (up to \$1.2 million) is only that portion that is necessary to ensure the continued operation of the Applicants’ business in the ordinary course during the initial 10 days. Those proceeds will be used directly by the Applicants, and certain amounts will be immediately loaned to Salus International. The proceeds of \$696,000 are necessary for the Applicants to meet their immediate payroll obligations (approximately \$192,000) and to pay certain ordinary course operating disbursements including inventory purchases, insurance, rent and utilities (approximately \$504,000).

104. The proposed DIP Loan contemplates that US\$500,000 will be loaned by the Borrowers to Salus International to fund the immediate operational needs of Salus International and Salus Bioceutical. These proceeds are immediately necessary to ensure the continued operations of Salus Bioceutical. Specifically, these funds will provide urgently required working capital to be used for employee salaries, supplies, and the cost of raw goods for processing.

VII. RELIEF SOUGHT

A. Stay of Proceedings

105. The Applicants urgently require a broad stay of proceedings to prevent enforcement action by certain contractual counterparties and to provide the Applicants with breathing space while they attempt to effect a restructuring, all the while permitting their business to continue to operate as a going concern.

106. The Applicants are concerned about their failure to meet certain obligations as they become due, and particularly their ability to fund payroll to pay the Employees. It would be detrimental to the Applicants' business if proceedings were commenced or continued, or rights and remedies were executed, against the Applicants. Absent the Stay of Proceedings, the Applicants will not be able to continue to operate their business and will be forced to initiate an abrupt disorderly shutdown.

107. As noted above, the Company operates an integrated global business and substantially all of the strategic business affairs of the company, including key decision-making, are conducted through personnel and supported by professional advisors who are located in Canada.

108. Due to the integration of the business and operations of the Company, the Applicants are seeking to extend the Stay of Proceedings to the Non-Applicant Stay Parties, many of whom are guarantors of MPXI's obligations pursuant to the Debentures. The extension of the Stay of Proceedings to these entities is intended to prevent uncoordinated realization and enforcement attempts from being made in different jurisdictions, and thereby preventing immediate losses of value for the Company and its stakeholders.

109. The Applicants believe that there is material value in the Non-Applicant Stay Parties and that without the benefit of the Stay of Proceedings, the value of such entities could quickly erode to the detriment of the Company's stakeholders. In addition, without the benefit of the Stay of Proceedings, the Applicants' ability to market and sell their interests in the Non-Applicant Stay Parties and their respective assets would be comprised given the lack of stability that would exist.

110. In light of the foregoing, the Stay of Proceedings is in the best interests of the Applicants and their stakeholders. I understand that the Proposed Monitor believes that the Stay of Proceedings – including its extension to the Non-Applicant Stay Parties – is appropriate in the circumstances.

B. Proposed Monitor

111. The proposed Initial Order contemplates that KSV will act as Monitor in the Applicants' CCAA Proceedings. I understand that KSV has consented to act as Monitor of the Applicants in the CCAA Proceedings if the proposed Initial Order is granted. A copy of KSV's consent to act as Monitor is attached hereto as Exhibit "CC".

C. Ability to Pay Certain Pre-Filing Amounts

112. Pursuant to the proposed Initial Order, the Applicants are seeking authorization (but not the obligation) to pay, among other things:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and employee expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and

- (b) with the consent of the Monitor and the DIP Lenders, amounts owing for goods and services actually supplied to the Applicants and all outstanding amounts related to honouring customer obligations whether existing before or after the date of the proposed Initial Order, incurred in the ordinary course of business and consistent with existing policies and procedures.

113. I believe this relief is necessary to maintain ordinary course operations, particularly given the highly regulated nature of the Applicants' business. The Applicants' ability to operate their business in the normal course is dependent on their ability to obtain an uninterrupted supply of certain goods and services.

114. I understand that the Monitor and the DIP Lenders are supportive of that relief.

D. Administration Charge

115. The Initial Order provides for a Court-ordered charge in favour of the Proposed Monitor, as well as counsel to the Proposed Monitor and the Applicants, over the Property, to secure payment of their respective fees and disbursements incurred in connection with services rendered in respect of the Applicants up to a maximum amount of \$300,000 (the "**Administration Charge**"). The Administration Charge is proposed to rank ahead of and have priority over all of the other Charges.

116. The Applicants require the expertise, knowledge, and continued participation of the proposed beneficiaries of the Administration Charge during the CCAA Proceedings in order to complete a successful restructuring. Each of the beneficiaries of the Administration Charge will have distinct roles in the Applicants' restructuring.

117. The Applicants and the Proposed Monitor worked collaboratively to estimate the quantum of the Administration Charge required, which takes into account the limited retainers the professionals currently have and their material outstanding fees. I believe that the Administration Charge is fair and reasonable in the circumstances. I understand that the Proposed Monitor is also of the view that the Administration Charge is fair and reasonable in the circumstances, and that the proposed DIP Lenders support the Administration Charge.

E. DIP Lenders' Charge

118. The DIP Term Sheet provides, among other things, that the DIP Loan is contingent on the granting of the DIP Lenders' Charge. The DIP Lenders' Charge is proposed to rank in priority to the Directors' Charge, but subordinate to the Administration Charge.

119. Pursuant to the proposed Initial Order, the DIP Lenders' Charge will secure all of the credit advanced under the DIP Loan. The DIP Lenders' Charge will not secure obligations incurred prior to the CCAA Proceedings.

120. The amount to be funded under the DIP Loan during the initial Stay of Proceedings is limited to the amount necessary to ensure the continued operations of the Applicants' business. Correspondingly, the DIP Lenders' Charge under the proposed Initial Order is limited to the amount to be funded during the initial Stay of Proceedings. The Applicants intend to seek an increase to the DIP Lenders' Charge at the Comeback Hearing.

F. Directors' Charge

121. Under the Initial Order, the Applicants are seeking to stay all proceedings against the directors and officers of the Applicants (collectively, the "**Directors and Officers**").

122. I am advised by Michael Shakra of Bennett Jones LLP, and believe that, in certain circumstances, directors and officers can be held liable for obligations of a company, including those owed to employees and government entities. Among other things, I understand that these obligations may include unpaid accrued wages and unpaid accrued vacation pay, together with unremitted excise, sales, goods and services, and harmonized sales taxes.

123. It is my understanding that the Applicants' present and former Directors and Officers are among the potential beneficiaries under liability insurance policies maintained by Assicurazioni Generali S.p.A. – UK Branch. However, I understand that these policies have various exceptions, exclusions and carve-outs and that they may not provide sufficient coverage against the potential liability that the Directors and Officers could incur in connection with the CCAA Proceedings. In addition, the insurance policies are not currently expected to be continued during the CCAA Proceedings.

124. Given the risks related to these CCAA Proceedings and the uncertainty surrounding available indemnities and insurance, I understand that the current Directors and Officers' involvement in the CCAA Proceedings is conditional upon the granting of a priority charge in favour of the Directors and Officers in the amount of \$145,000 (the "**Directors' Charge**"). The Applicants require the involvement of certain Directors and Officers in order to continue business operations in the ordinary course. The Directors' Charge would serve as security for the indemnification obligations and potential liabilities the Directors and Officers may face during the initial 10-day period of the CCAA Proceedings. The proposed Initial Order contemplates that the Directors' Charge will rank subordinate to Administration Charge and the DIP Lenders' Charge, but in priority to all other claims (except any secured creditors who did not receive notice of this application).

125. The Applicants believe that the Directors' Charge is reasonable in the circumstances. I understand that the Proposed Monitor is supportive of the Directors' Charge and its quantum.

G. Cash Flow Forecast

126. With the assistance of the Proposed Monitor, the Applicants have undertaken a cash flow analysis to determine the quantum of funding required to finance their operations, assuming the Initial Order is granted, over the 13-week period from the week ending July 29, 2022, to the week ending October 21, 2022 (the "**Cash Flow Forecast**"). I understand that the Cash Flow Forecast will be attached to the pre-filing report of the Proposed Monitor.

127. The Cash Flow Forecast indicates that the Applicants urgently require DIP financing to ensure that they have the liquidity required to meet their obligations and continue their business operations during the Stay of Proceedings.

H. Relief in Respect of AGM

128. MPXI's AGM was originally scheduled for July 15, 2022. The date for holding the AGM was extended to July 29, 2022, which is the last date that MPXI is permitted to hold the AGM under applicable corporate and securities laws. Notice of this extension was provided by way of a press release dated July 13, 2022. The press release is attached hereto as Exhibit "DD". As a result of this CCAA application, MPXI is seeking to be relieved of any obligation to call and hold the AGM until further Order of this Court.

129. It would be a distraction and unnecessary expense for MPXI to hold an AGM in the circumstances where it is insolvent and the equity value of MPXI is suspect at best.

VIII. CONCLUSION

130. The proposed Initial Order is in the best interests of the Applicants and their stakeholders. The Stay of Proceedings and the DIP Loan will allow the Applicants to continue ordinary course operations with the breathing space and stability necessary to develop and implement their restructuring. Absent the Stay of Proceedings and approval of the DIP Loan, the Applicants will be unable to fund payroll and will be forced to abruptly cease their operations, which would be detrimental to the value of their business, and in turn, the interests of their stakeholders.

131. In the circumstances, I believe that the CCAA Proceedings are the only viable means of restructuring the Applicants’ business for the benefit of their stakeholders and that the relief sought in the Initial Order is limited to what is reasonably necessary to stabilize the Applicants’ business in the initial ten (10) day period.

SWORN BEFORE ME over)
videoconference on this 25th day of July)
2022. The affiant was located in the Town of)
Oakville, in the Province of Ontario and the)
Commissioner was located in the City of)
Toronto, in the Province of Ontario. This)
affidavit was commissioned remotely as a)
result of COVID-19 and the declaration was)
administered in accordance with Ontario)
Regulation 431/20.)



Thomas Gray

A Commissioner for Oaths in and for the
Province of Ontario



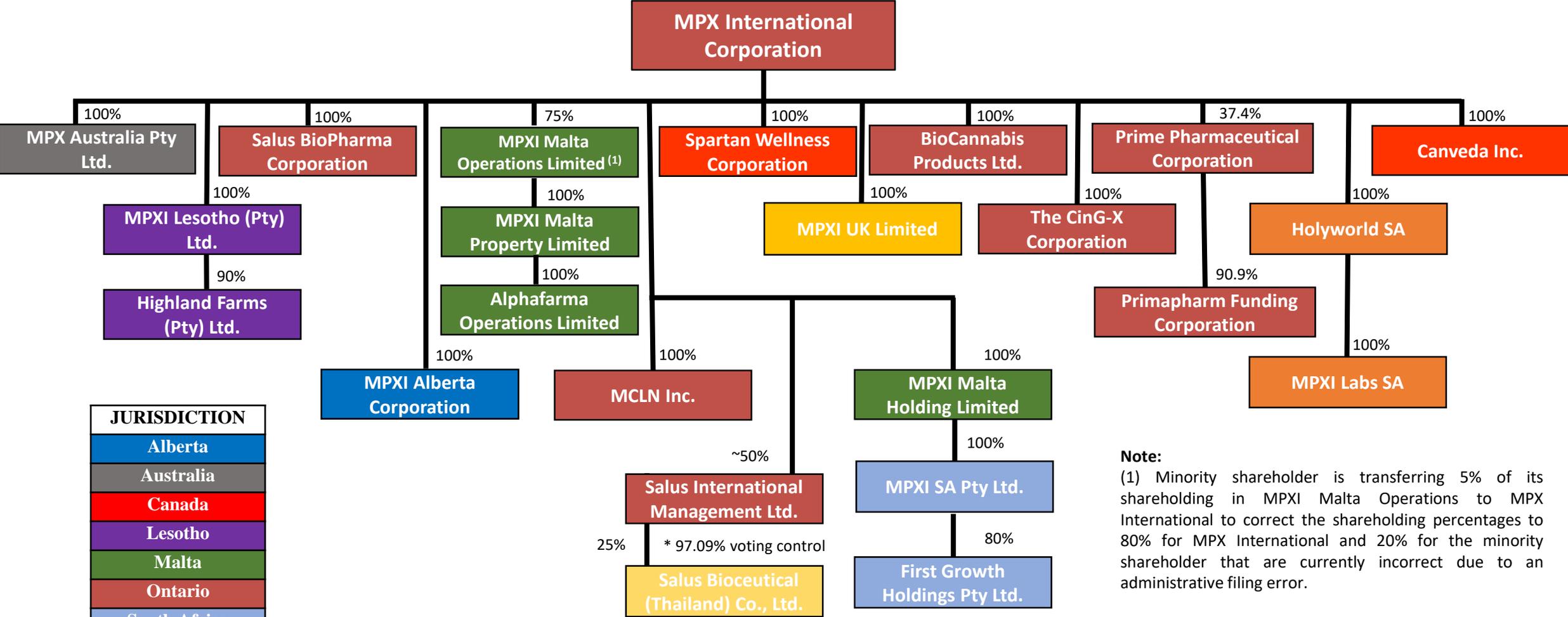
Jeremy Blumer

**THIS IS EXHIBIT "A" REFERRED TO IN THE
AFFIDAVIT OF JEREMY BLUMER SWORN
THE 25TH DAY OF JULY, 2022**

A handwritten signature in black ink, appearing to be 'TG' with a long horizontal stroke extending to the right.

THOMAS GRAY
A Commissioner for taking affidavits, etc.

MPX INTERNATIONAL CORPORATION ORGANIZATIONAL CHART



JURISDICTION
Alberta
Australia
Canada
Lesotho
Malta
Ontario
South Africa
Switzerland
Thailand
United Kingdom

Note:
 (1) Minority shareholder is transferring 5% of its shareholding in MPXI Malta Operations to MPX International to correct the shareholding percentages to 80% for MPX International and 20% for the minority shareholder that are currently incorrect due to an administrative filing error.

**THIS IS EXHIBIT "B" REFERRED TO IN THE
AFFIDAVIT OF JEREMY BLUMER SWORN
THE 25TH DAY OF JULY, 2022**

A handwritten signature in black ink, appearing to be 'TG' with a long horizontal stroke extending to the right.

THOMAS GRAY
A Commissioner for taking affidavits, etc.



Profile Report

MPX INTERNATIONAL CORPORATION as of July 15, 2022

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	MPX INTERNATIONAL CORPORATION
Ontario Corporation Number (OCN)	2660528
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	October 17, 2018
Registered or Head Office Address	5255 Yonge Street, 701, North York, Ontario, Canada, M2N 6P4

Certified a true copy of the record of the Ministry of Government and Consumer Services.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Active Director(s)

Minimum Number of Directors 3
Maximum Number of Directors 15

Name Jeremy BLUMER
Address for Service 5255 Yonge St, 701, Toronto, Ontario, Canada, M2N 6P4
Resident Canadian Yes
Date Began April 16, 2021

Name Scott BOYES
Address for Service 5255 Yonge Street, 701, Toronto, Ontario, Canada, M2N 6P4
Resident Canadian Yes
Date Began October 17, 2018

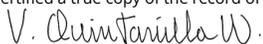
Name Jeremy BUDD
Address for Service 5255 Yonge St, 701, Toronto, Ontario, Canada, M2N 6P4
Resident Canadian Yes
Date Began October 17, 2018

Name Timothy Erling CHILDS
Address for Service 5255 Yonge Street, 701, North York, Ontario, Canada, M2N 6P4
Resident Canadian No
Date Began January 06, 2022

Name Alastair CRAWFORD
Address for Service 5255 Yonge St, 701, Toronto, Ontario, Canada, M2N 6P4
Resident Canadian Yes
Date Began January 31, 2019

Name Budd JEREMY
Address for Service 5255 Yonge Street, 701, Toronto, Ontario, Canada, M2N 6P4
Resident Canadian Yes
Date Began October 17, 2018

Certified a true copy of the record of the Ministry of Government and Consumer Services.



Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Name	Robert PETCH
Address for Service	5255 Yonge St, 701, Toronto, Ontario, Canada, M2N 6P4
Resident Canadian	Yes
Date Began	January 31, 2019

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V. Quintanilla W.

Director/Registrar

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Active Officer(s)

Name Jeremy BLUMER
Position Chief Financial Officer
Address for Service 5255 Yonge St, 701, Toronto, Ontario, Canada, M2N 6P4
Date Began October 16, 2020

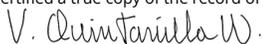
Name Scott BOYES
Position Chief Executive Officer
Address for Service 5255 Yonge Street, 701, Toronto, Ontario, Canada, M2N 6P4
Date Began February 05, 2019

Name Scott BOYES
Position President
Address for Service 5255 Yonge Street, 701, Toronto, Ontario, Canada, M2N 6P4
Date Began October 17, 2018

Name Jeremy BUDD
Position Secretary
Address for Service 5255 Yonge St, 701, Toronto, Ontario, Canada, M2N 6P4
Date Began October 17, 2018

Name Jeremy BUDD
Position Vice-President
Address for Service 5255 Yonge St, 701, Toronto, Ontario, Canada, M2N 6P4
Date Began February 05, 2019

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Director/Registrar

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Corporate Name History

Name	MPX INTERNATIONAL CORPORATION
Effective Date	November 13, 2018
Previous Name	2660528 ONTARIO INC.
Effective Date	October 17, 2018

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V. Quintanilla W.

Director/Registrar

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Active Business Names

This corporation does not have any active business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Government and Consumer Services.

V. Quintanilla W.

Director/Registrar

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Expired or Cancelled Business Names

This corporation does not have any expired or cancelled business names registered under the Business Names Act in Ontario.

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V. Quintanilla W.

Director/Registrar

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Document List

Filing Name	Effective Date
CIA - Notice of Change PAF: Kevin LEE	March 01, 2022
CIA - Notice of Change PAF: Kevin LEE	February 16, 2022
Annual Return - 2019 PAF: JONATHAN CHU - OFFICER	May 09, 2021
CIA - Notice of Change PAF: ANDREA LEANNA DE DONATO - OTHER	May 04, 2021
Annual Return - 2020 PAF: ANDREA DEDONATO - OTHER	March 02, 2021
Annual Return - 2021 PAF: ANDREA DEDONATO - OTHER	March 01, 2021
CIA - Notice of Change PAF: ANDREA DE DONATO - OTHER	December 04, 2020
CIA - Notice of Change PAF: ANDREA DEDONATO - OTHER	August 12, 2020
CIA - Notice of Change PAF: KRISTIN KIGHTLEY - OTHER	April 17, 2019
BCA - Articles of Amendment	February 05, 2019
BCA - Articles of Amendment	November 13, 2018
CIA - Initial Return PAF: KRISTIN KIGHTLEY - OTHER	October 17, 2018
BCA - Articles of Incorporation	October 17, 2018

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**THIS IS EXHIBIT "C" REFERRED TO IN THE
AFFIDAVIT OF JEREMY BLUMER SWORN
THE 25TH DAY OF JULY, 2022**

A handwritten signature in black ink, appearing to be 'TG' with a long horizontal stroke extending to the right.

THOMAS GRAY
A Commissioner for taking affidavits, etc.



Profile Report

BIOCANNABIS PRODUCTS LTD. as of July 15, 2022

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	BIOCANNABIS PRODUCTS LTD.
Ontario Corporation Number (OCN)	2445652
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	December 11, 2014
Registered or Head Office Address	22 22 Adelaide Street West, Suite 2740, Toronto, Ontario, Canada, M5H 4E3

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V. Quintanilla W.

Director/Registrar

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Active Director(s)

Minimum Number of Directors 1
Maximum Number of Directors 10

Name W. Scott BOYES
Address for Service 368 Princess, Toronto, Ontario, Canada, M2N 3S8
Resident Canadian Yes
Date Began December 11, 2014

Name W. Scott BOYES
Address for Service 368 Princess, Toronto, Ontario, Canada, M2N 3S8
Resident Canadian Yes
Date Began December 11, 2014

Certified a true copy of the record of the Ministry of Government and Consumer Services.

V. Quintanilla W.

Director/Registrar

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Active Officer(s)

There are no active Officers currently on file for this corporation.

Certified a true copy of the record of the Ministry of Government and Consumer Services.

V. Quintanilla W.

Director/Registrar

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Corporate Name History

Name

BIOCANNABIS PRODUCTS LTD.

Effective Date

December 11, 2014

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V. Quintanilla W.

Director/Registrar

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Active Business Names

This corporation does not have any active business names registered under the Business Names Act in Ontario.

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Director/Registrar

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Expired or Cancelled Business Names

This corporation does not have any expired or cancelled business names registered under the Business Names Act in Ontario.

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Director/Registrar

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Document List

Filing Name	Effective Date
Annual Return - 2019 PAF: JONATHAN CHU - DIRECTOR	October 04, 2020
Annual Return - 2017 PAF: SCOTT BOYES - DIRECTOR	November 04, 2018
Annual Return - 2015 PAF: SCOTT BOYES - DIRECTOR	July 23, 2017
Annual Return - 2016 PAF: SCOTT BOYES - DIRECTOR	July 09, 2017
Annual Return - 2015 PAF: SCOTT BOYES - DIRECTOR	October 03, 2015
CIA - Initial Return PAF: SEAN FRANKLIN ZABOROSKI - OTHER	December 23, 2014
BCA - Articles of Incorporation	December 11, 2014

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V. Quintanilla W.

Director/Registrar

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THOMAS GRAY
A Commissioner for taking affidavits, etc.



Government
of Canada

Gouvernement
du Canada

[Canada.ca](#) → [Innovation, Science and Economic Development Canada](#) → [Corporations Canada](#)
→ [Search for a Federal Corporation](#)

Federal Corporation Information - 907611-5

 Beware of scams and other suspicious activities. See [Corporations Canada's alerts](#).

Note

This information is available to the public in accordance with legislation (see [Public disclosure of corporate information](#)).

[Order copies of corporate documents](#)

Corporation Number

907611-5

Business Number (BN)

824952048RC0002

Corporate Name

CANVEDA INC.

Status

Active

Governing Legislation

Canada Business Corporations Act - 2015-01-01

[Order a Corporate Profile](#) [[View PDF Sample](#)] [[View HTML Sample](#)].

[PDF Readers](#)

Registered Office Address

5255 Yonge Street
#701

North York ON M2N 6P4
Canada

i Note

Active CBCA corporations are required to update this information within 15 days of any change. A corporation key is required. If you are not authorized to update this information, you can either contact the corporation or contact Corporations Canada. We will inform the corporation of its reporting obligations.

Directors

Minimum 1

Maximum 15

JEREMY S. BUDD
5255 Yonge Street
#701
Toronto ON M2N 6P4
Canada

MICHAEL ARNKVARN
5255 Yonge Street
#701
North York ON M2N 6P4
Canada

WILLIAM S. BOYES
5255 Yonge Street
#701
North York ON M2N 6P4
Canada

i Note

Active CBCA corporations are required to update director information (names, addresses, etc.) within 15 days of any change. A corporation key is required. If you are not authorized to update this information, you can either contact the corporation or contact Corporations Canada. We will inform the corporation of its reporting obligations.

Annual Filings

Anniversary Date (MM-DD)

01-01

Date of Last Annual Meeting

2021-11-12

Annual Filing Period (MM-DD)

01-01 to 03-02

Type of Corporation

Non-distributing corporation with 50 or fewer shareholders

Status of Annual Filings

2022 - Filed

2021 - Filed

2020 - Filed

Corporate History

Corporate Name History

2015-01-01 to 2018-10-19

8423695 Canada Inc.

2018-10-19 to Present

CANVEDA INC.

Certificates and Filings**Certificate of Amalgamation**

2015-01-01

Corporations amalgamated:

- 8423695 8423695 CANADA INC.
- 8577803 CANVEDA INC.

Certificate of Amendment *

2018-10-19

Amendment details: Corporate name

* Amendment details are only available for amendments effected after 2010-03-20. Some certificates issued prior to 2000 may not be listed. For more information, [contact Corporations Canada](#).

[Order copies of corporate documents](#)

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Date Modified:

2022-05-18

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THE 25TH DAY OF JULY, 2022**

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THOMAS GRAY
A Commissioner for taking affidavits, etc.



Profile Report

THE CING-X CORPORATION as of July 15, 2022

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	THE CING-X CORPORATION
Ontario Corporation Number (OCN)	2344892
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	October 04, 2012
Registered or Head Office Address	22 Adelaide St West, Suite 2740, Toronto, Ontario, Canada, M5H 4E3

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V. Quintanilla W.

Director/Registrar

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Active Director(s)

Minimum Number of Directors 1
Maximum Number of Directors 7

Name Michael ARNKVARN
Address for Service 101 Snye Court, P.O. Box 178, Fitzroy Harbour, Ontario,
Canada, K0A 1X0
Resident Canadian Yes
Date Began October 04, 2012

Name William Scott BOYES
Address for Service 368 Princess Avenue, Toronto, Ontario, Canada, M2N 3S8
Resident Canadian Yes
Date Began September 17, 2013

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V. Quintanilla W.

Director/Registrar

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Active Officer(s)

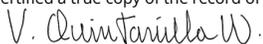
Name Michael ARNKVARN
Position President
Address for Service 1 Snye Court, Fitzroy Harbour, Ontario, Canada, K0A 1X0
Date Began October 04, 2012

Name William Scott BOYES
Position Secretary
Address for Service 368 Princess Avenue, Toronto, Ontario, Canada, M2N 3S8
Date Began September 17, 2013

Name William Scott BOYES
Position Treasurer
Address for Service 368 Princess Avenue, Toronto, Ontario, Canada, M2N 3S8
Date Began September 17, 2013

Name William Scott BOYES
Position Vice-President
Address for Service 368 Princess Avenue, Toronto, Ontario, Canada, M2N 3S8
Date Began September 17, 2013

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Corporate Name History

Name

Effective Date

THE CING-X CORPORATION

October 04, 2012

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Director/Registrar

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Active Business Names

This corporation does not have any active business names registered under the Business Names Act in Ontario.

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Expired or Cancelled Business Names

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Document List

Filing Name	Effective Date
Annual Return - 2019 PAF: JONATHAN CHU - DIRECTOR	October 04, 2020
Annual Return - 2017 PAF: SCOTT BOYES - DIRECTOR	November 04, 2018
CIA - Notice of Change PAF: JEREMY BUDD - OTHER	August 01, 2017
Annual Return - 2016 PAF: SCOTT BOYES - DIRECTOR	July 09, 2017
Annual Return - 2014 PAF: SCOTT BOYES - OFFICER	October 03, 2015
Annual Return - 2015 PAF: SCOTT BOYES - DIRECTOR	October 03, 2015
Annual Return - 2014 PAF: WILLIAM SCOTT BOYES - OFFICER	December 20, 2014
CIA - Notice of Change PAF: WILLIAM SCOTT BOYES - OFFICER	October 03, 2013
BCA - Articles of Incorporation	October 04, 2012

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THOMAS GRAY
A Commissioner for taking affidavits, etc.



Profile Report

MCLN INC. as of July 15, 2022

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	MCLN INC.
Ontario Corporation Number (OCN)	2702148
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	June 18, 2019
Registered or Head Office Address	5255 Yonge Street, 701, Toronto, Ontario, Canada, M2N 6P4

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V. Quintanilla W.

Director/Registrar

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Active Director(s)

Minimum Number of Directors 1
Maximum Number of Directors 10

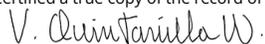
Name Michael ARNKVARN
Address for Service 5255 Yonge Street, 701, Toronto, Ontario, Canada, M2N 6P4
Resident Canadian Yes
Date Began February 21, 2020

Name William S BOYES
Address for Service 5255 Yonge Street, 701, Toronto, Ontario, Canada, M2N 6P4
Resident Canadian Yes
Date Began February 21, 2020

Name Jeremy BUDD
Address for Service 5255 Yonge Street, 701, Toronto, Ontario, Canada, M2N 6P4
Resident Canadian Yes
Date Began July 16, 2019

Name Jeremy S BUDD
Address for Service 5255 Yonge Street, 701, Toronto, Ontario, Canada, M2N 6P4
Resident Canadian Yes
Date Began June 18, 2019

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Director/Registrar

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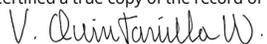
Active Officer(s)

Name Michael ARNKVARN
Position General Manager
Address for Service 5255 Yonge Street, 701, Toronto, Ontario, Canada, M2N 6P4
Date Began February 21, 2020

Name William S BOYES
Position President
Address for Service 5255 Yonge Street, 701, Toronto, Ontario, Canada, M2N 6P4
Date Began February 21, 2020

Name Jeremy S BUDD
Position Secretary
Address for Service 5255 Yonge Street, 701, Toronto, Ontario, Canada, M2N 6P4
Date Began February 21, 2020

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Corporate Name History

Name	MCLN INC.
Effective Date	September 15, 2020
Previous Name	2702148 ONTARIO INC.
Effective Date	June 18, 2019

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V. Quintanilla W.

Director/Registrar

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Active Business Names

Name	KAJENGA CANNABIS
Business Identification Number (BIN)	290698984
Registration Date	June 21, 2019
Expiry Date	June 20, 2024

Name	THE MEDICAL CANNABIS LEARNING NETWORK
Business Identification Number (BIN)	290722321
Registration Date	June 28, 2019
Expiry Date	June 27, 2024

Certified a true copy of the record of the Ministry of Government and Consumer Services.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Expired or Cancelled Business Names

This corporation does not have any expired or cancelled business names registered under the Business Names Act in Ontario.

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V. Quintanilla W.

Director/Registrar

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Document List

Filing Name	Effective Date
BCA - Articles of Amendment	September 15, 2020
CIA - Notice of Change PAF: ANDREA DEDONATO - OTHER	August 12, 2020
CIA - Notice of Change PAF: ANDREA L DE DONATO - OTHER	February 24, 2020
CIA - Notice of Change PAF: JAMES HALL - DIRECTOR	August 12, 2019
CIA - Initial Return PAF: JAMES HALL - DIRECTOR	June 18, 2019
BCA - Articles of Incorporation	June 18, 2019

All "PAF" (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

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**THIS IS EXHIBIT "G" REFERRED TO IN THE
AFFIDAVIT OF JEREMY BLUMER SWORN
THE 25TH DAY OF JULY, 2022**

A handwritten signature in black ink, appearing to be 'TG' with a long horizontal stroke extending to the right.

THOMAS GRAY
A Commissioner for taking affidavits, etc.

Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2022/07/18
Time of Search: 01:37 PM
Service Request Number: 37967125
Customer Reference Number: 04036134-EDD3_5_2481610

Corporate Access Number: 2022335018
Business Number:
Legal Entity Name: MPXI ALBERTA CORPORATION
Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 2019/12/06 YYYY/MM/DD

Registered Office:
Street: 439 ROONEY CRES NW
City: EDMONTON
Province: ALBERTA
Postal Code: T6R1C5

Records Address:
Street: 439 ROONEY CRESCENT NW
City: EDMONTON
Province: ALBERTA
Postal Code: T6R1C5

Email Address: JEREMY@MPXINTERNATIONALCORP.COM

Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
BURKE	CATHALINE			439 ROONEY CRESCENT NW	EDMONTON	ALBERTA	T6R1C5	CATHALIN@STRAINREC.COM

Directors:

Last Name: ARNKVARN
First Name: MICHAEL
Street/Box Number: 5255 YONGE STREET, SUITE 701
City: TORONTO
Province: ONTARIO
Postal Code: M2N6P4

Last Name: BOYES

First Name: W.
Middle Name: SCOTT
Street/Box Number: 5255 YONGE STREET, SUITE 701
City: TORONTO
Province: ONTARIO
Postal Code: M2N6P4

Last Name: BUDD
First Name: JEREMY
Middle Name: S.
Street/Box Number: 5255 YONGE STREET, SUITE 701
City: TORONTO
Province: ONTARIO
Postal Code: M2N6P4

Voting Shareholders:

Last Name: MPX INTERNATIONAL CORPORATION
Street: 5255 YONGE STREET, SUITE 701
City: TORONTO
Province: ONTARIO
Postal Code: M2N6P4
Percent Of Voting Shares: 100

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: THIS CORPORATION IS AUTHORIZED TO ISSUE AN UNLIMITED NUMBER OF ONE CLASS OF SHARES, DESIGNATED AS "COMMON SHARES".

Share Transfers: NO SECURITIES, OTHER THAN NON-CONVERTIBLE DEBT SECURITIES, OF THE CORPORATION SHALL BE TRANSFERRED TO ANY PERSON WITHOUT THE APPROVAL OF THE BOARD OF DIRECTORS BY RESOLUTION.

Min Number Of Directors: 1

Max Number Of Directors: 9

Business Restricted To: THERE SHALL BE NO RESTRICTIONS ON THE BUSINESS THAT THE CORPORATION MAY CARRY ON.

Business Restricted From: THERE SHALL BE NO RESTRICTIONS ON THE BUSINESS THAT THE CORPORATION MAY CARRY ON.

Other Provisions: REFER TO "OTHER RULES OR PROVISIONS" ATTACHMENT.

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2021	2021/12/17

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2019/12/06	Incorporate Alberta Corporation
2021/12/17	Enter Annual Returns for Alberta and Extra-Provincial Corp.

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Other Rules or Provisions	ELECTRONIC	2019/12/06

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



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A Commissioner for taking affidavits, etc.



Profile Report

SALUS BIOPHARMA CORPORATION as of July 15, 2022

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	SALUS BIOPHARMA CORPORATION
Ontario Corporation Number (OCN)	2724121
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	October 29, 2019
Registered or Head Office Address	5255 Yonge Street, 701, Toronto, Ontario, Canada, M2N 6P4

Certified a true copy of the record of the Ministry of Government and Consumer Services.

V. Quintanilla W.

Director/Registrar

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Active Director(s)

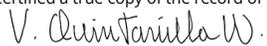
Minimum Number of Directors 1
Maximum Number of Directors 10

Name Michael ARNKVARN
Address for Service 5255 Yonge Street, 701, Toronto, Ontario, Canada, M2N 6P4
Resident Canadian Yes
Date Began October 29, 2019

Name William Scott BOYES
Address for Service 5255 Yonge Street, 701, Toronto, Ontario, Canada, M2N 6P4
Resident Canadian Yes
Date Began October 29, 2019

Name Jeremy BUDD
Address for Service 5255 Yonge Street, 701, Toronto, Ontario, Canada, M2N 6P4
Resident Canadian Yes
Date Began October 29, 2019

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Director/Registrar

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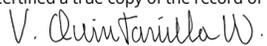
Active Officer(s)

Name Michael ARNKVARN
Position General Manager
Address for Service 5255 Yonge Street, 701, Toronto, Ontario, Canada, M2N 6P4
Date Began October 29, 2019

Name William Scott BOYES
Position President
Address for Service 5255 Yonge Street, 701, Toronto, Ontario, Canada, M2N 6P4
Date Began October 29, 2019

Name Jeremy BUDD
Position Secretary
Address for Service 5255 Yonge Street, 701, Toronto, Ontario, Canada, M2N 6P4
Date Began October 29, 2019

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Director/Registrar

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Corporate Name History

Name

SALUS BIOPHARMA CORPORATION

Effective Date

October 29, 2019

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Active Business Names

This corporation does not have any active business names registered under the Business Names Act in Ontario.

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Expired or Cancelled Business Names

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Document List

Filing Name	Effective Date
CIA - Notice of Change PAF: ANDREA DE DONATO - OTHER	December 07, 2020
BCA - Articles of Incorporation	October 29, 2019

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THOMAS GRAY
A Commissioner for taking affidavits, etc.



Government
of Canada

Gouvernement
du Canada

[Canada.ca](#) → [Innovation, Science and Economic Development Canada](#) → [Corporations Canada](#)
→ [Search for a Federal Corporation](#)

Federal Corporation Information - 1026097-5

 Beware of scams and other suspicious activities. See [Corporations Canada's alerts](#).

Note

This information is available to the public in accordance with legislation (see [Public disclosure of corporate information](#)).

[Order copies of corporate documents](#)

Corporation Number

1026097-5

Business Number (BN)

711660696RC0001

Corporate Name

Spartan Wellness Corporation

Status

Active

Governing Legislation

Canada Business Corporations Act - 2017-06-01

[Order a Corporate Profile](#) [[View PDF Sample](#)] [[View HTML Sample](#)].

[PDF Readers](#)

Registered Office Address

5255 Yonge Street
Suite 701

Toronto ON M2N 6P4
Canada

i Note

Active CBCA corporations are required to update this information within 15 days of any change. A corporation key is required. If you are not authorized to update this information, you can either contact the corporation or contact Corporations Canada. We will inform the corporation of its reporting obligations.

Directors

Minimum 1

Maximum 10

Jeremy Budd
26 Overbrook Place
Toronto ON M3H 4P2
Canada

Scott Boyes
368 Princess Avenue
Toronto ON M2N 3S8
Canada

i Note

Active CBCA corporations are required to update director information (names, addresses, etc.) within 15 days of any change. A corporation key is required. If you are not authorized to update this information, you can either contact the corporation or contact Corporations Canada. We will inform the corporation of its reporting obligations.

Annual Filings

Anniversary Date (MM-DD)

06-01

Date of Last Annual Meeting

2022-03-31

Annual Filing Period (MM-DD)

06-01 to 07-31

Type of Corporation

Non-distributing corporation with 50 or fewer shareholders

Status of Annual Filings

2022 - Filed

2021 - Filed

2020 - Filed

Corporate History

Corporate Name History

2017-06-01 to Present

Spartan Wellness Corporation

Certificates and Filings**Certificate of Incorporation**

2017-06-01

Certificate of Amendment *

2017-07-19

Amendment details: Other

* Amendment details are only available for amendments effected after 2010-03-20. Some certificates issued prior to 2000 may not be listed. For more information, [contact Corporations Canada](#).

[Order copies of corporate documents](#)

[Start New Search](#)

[Return to Search Results](#)

Date Modified:

2022-05-18

**THIS IS EXHIBIT "J" REFERRED TO IN THE
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A Commissioner for taking affidavits, etc.

Licence No. - N° de licence
LIC-4SNZCPB3H8-2020-3

LICENCE

This licence is issued in accordance with the *Cannabis Act* and *Cannabis Regulations*

LICENCE

Cette licence est délivrée conformément à la *Loi sur le cannabis* et le *Règlement sur le cannabis*

Licence Holder / Titulaire de la licence :
Canveda Inc.

Licensed Site / Lieu autorisé :
760 TECHNOLOGY DRIVE
PETERBOROUGH, ON, CANADA, K9J 6X7

The above-mentioned person is authorized to conduct, at the site specified on this licence, the activities listed below for the following licence classes and subclasses.

La personne susmentionnée est autorisée à effectuer, sur le site spécifié sur cette licence, les activités énumérées ci-dessous pour les catégories et les sous-catégories de licence suivantes.

Standard Cultivation

Culture standard

Activities	Activités
<ul style="list-style-type: none"> To possess cannabis To obtain dried cannabis, fresh cannabis, cannabis plants or cannabis plant seeds by cultivating, propagating and harvesting cannabis For the purposes of testing, to obtain cannabis by altering its chemical or physical properties by any means To sell cannabis in accordance with subsection 11(5) of the Cannabis Regulations 	<ul style="list-style-type: none"> Avoir du cannabis en sa possession Obtenir du cannabis séché, du cannabis frais, des plantes de cannabis ou des graines provenant de telles plantes par la culture, la multiplication et la récolte de cannabis Afin d'effectuer des essais sur du cannabis, obtenir du cannabis par l'altération, par tout moyen, de ses propriétés physiques ou chimiques Vendre du cannabis en vertu du paragraphe 11(5) du Règlement sur le cannabis

Conditions	Conditions
The licence holder must meet the requirements set out in the Health Canada document entitled "Mandatory cannabis testing for pesticide active ingredients - Requirements".	Le titulaire de la licence doit respecter les exigences énoncées dans le document de Santé Canada intitulé « Analyse obligatoire du cannabis pour les résidus de principes actifs de pesticides-Exigences ».

Standard Processing

Transformation standard

Activities	Activités
<ul style="list-style-type: none"> To possess cannabis To produce cannabis, other than obtain it by cultivating, propagating or harvesting it To sell cannabis in accordance with subsection 17(5) of the Cannabis Regulations 	<ul style="list-style-type: none"> Avoir du cannabis en sa possession Produire du cannabis, sauf en l'obtenant par la culture, la multiplication et la récolte Vendre du cannabis en vertu du paragraphe 17(5) du Règlement sur le cannabis

Conditions	Conditions
The licence holder must meet the requirements set out in the Health Canada document entitled "Mandatory cannabis testing for pesticide active ingredients - Requirements".	Le titulaire de la licence doit respecter les exigences énoncées dans le document de Santé Canada intitulé « Analyse obligatoire du cannabis pour les résidus de principes actifs de pesticides-Exigences ».
The only cannabis products that the licence holder may sell or distribute to (i) a holder of a licence for sale, and (ii) a person that is authorized under a provincial Act referred to in subsection 69(1) of the Act to sell cannabis, are as follows: cannabis plants; cannabis plant seeds; dried cannabis; fresh cannabis; cannabis topicals; cannabis extracts; and edible cannabis.	Les seuls produits du cannabis que le titulaire de la licence peut vendre ou distribuer (i) à un titulaire d'une licence de vente et (ii) à une personne autorisée sous le régime d'une loi provinciale visée au paragraphe 69(1) de la Loi à vendre du cannabis sont les suivants : plantes de cannabis; graines provenant d'une plante de cannabis; cannabis séché; cannabis frais; cannabis pour usage topique; extrait de cannabis; et cannabis comestible.



Acting Director, Licensing and Security, Controlled Substances and Cannabis Branch

Directeur par intérim, Licences et sécurité, Direction générale des substances contrôlées et du cannabis

Conditions	Conditions
The only cannabis products that the licence holder may send or deliver to the purchaser at the request of (i) a holder of a licence for sale, and (ii) a person that is authorized under a provincial Act referred to in subsection 69(1) of the Act to sell cannabis, are as follows: cannabis plants; cannabis plant seeds; dried cannabis; fresh cannabis; cannabis topicals; cannabis extracts; and edible cannabis.	Les seuls produits du cannabis que le titulaire de la licence peut expédier ou livrer à l'acheteur à la demande (i) d'un titulaire d'une licence de vente et (ii) d'une personne autorisée sous le régime d'une loi provinciale visée au paragraphe 69(1) de la Loi à vendre du cannabis sont les suivants : plantes de cannabis; graines provenant d'une plante de cannabis; cannabis séché; cannabis frais; cannabis pour usage topique; extrait de cannabis; et cannabis comestible.

Sale for Medical Purposes

Vente à des fins médicales

Activities	Activités
<ul style="list-style-type: none"> To possess cannabis To sell cannabis products in accordance with section 27 and Part 14, Division 1 of the Cannabis Regulations 	<ul style="list-style-type: none"> Avoir du cannabis en sa possession Vendre des produits du cannabis en vertu de l'article 27 et la section 1 de la partie 14 du Règlement sur le cannabis

Conditions	Conditions
N/A	nd

Indoor Area(s) / Zone(s) intérieure(s)

The possession of cannabis and the other activities mentioned above are authorized in the following building(s) / La possession de cannabis et les autre activités mentionnées ci-haut sont autorisées dans les bâtiment(s) suivant(s) :

Building 1

Effective date of the licence:

This licence is effective as of **November 26, 2020**

Date d'entrée en vigueur de la licence:

Cette licence entre en vigueur à compter du **26 novembre 2020**

Expiry date of the licence:

This licence expires on **June 11, 2023**

Date d'expiration de la licence:

La présente licence expire le **11 juin 2023**



Acting Director, Licensing and Security, Controlled Substances and Cannabis Branch

Directeur par intérim, Licences et sécurité, Direction générale des substances contrôlées et du cannabis

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THOMAS GRAY
A Commissioner for taking affidavits, etc.



October 8, 2020

Canveda Inc.
701-5255 Yonge Street
North York ON M2N 6P4

Case Number: 211371
Business Number: 824952048

Attention: Roshan Peiris

Dear Roshan Peiris:

RE: Renewal of Cannabis Licence under the Excise Act, 2001

We have reviewed your cannabis licence renewal application, and are pleased to inform you that your cannabis licence under the Excise Act, 2001 has been renewed effective October 17, 2020.

Cannabis licence number

The following licence number should be recorded on all correspondence with the CRA:

**82495 2048 RD0001
760 Technology Drive, Peterborough ON, K9J 6X7**

Each of the physical business locations included in the licence application has been provided with a separate account number as follows:

Location	Account Identifier	Account Type	Premises Address
1	RD0001	Filing	760 Technology Drive, Peterborough ON, K9J 6X7

Acknowledgement of Security

A person renewing a cannabis licence under the Act is required to maintain security in a form satisfactory to the CRA and in an amount determined by the *Regulations Respecting Excise Licences and Registrations*. Please ensure your posted security remains valid, and is sufficient to ensure payment of the amount referred to in paragraph 160(b) of the Act (highest duty payable on your B300 excise duty return for any month). If you have questions in regards to the security requirement, please contact our office.

Renewal of Cannabis Licence

Information related to renewing a cannabis licence is provided in Excise Duty Notice EDN52, Obtaining and Renewing a Cannabis Licence. Subject to meeting the requirements for maintaining a cannabis licence, the licence will remain in effect for the period specified in the licence.

Excise Duties and Taxes
Legislative Policy and Regulatory Affairs
55 Bay Street North
Hamilton ON L8R 3P7
Phone: 1-866-667-9851
Fax: 1-905-572-4608

The expiry date for your licence will be October 16, 2022. In order to renew the cannabis licence, a completed Form L300, Cannabis Licence Application must be submitted to your regional office not later than 30 days before the expiry date.

Obligations of a Cannabis Licensee

Changes to Information

The CRA must be informed of any changes to the name, legal entity, business or mailing address, location of books and records or changes to any other information provided in the licence application form. The CRA must also be informed if your business/operations have been discontinued or sold.

Books and Records

All cannabis licensees are required to maintain adequate books and records and provide access to those books and records to excise officers. Denied access to books and records could result in a suspension or the cancellation of a cannabis licence.

Filing of Returns

A form B300, Cannabis Duty and Information Return for each filing division under your cannabis licence must be filed for each calendar month whether or not any duty is payable. Your returns are due at the end of the month following the calendar month for the production being reported.

Electronic filing of the monthly B300 Cannabis Duty and Information Return, the B301 Application for a Refund of Cannabis Duty, as well as other account information, such as account transactions and balances, licence status and account maintenance activities, is available at canada.ca/my-cra-business-account. Electronic filing of returns provides immediate confirmation that your return has been received by the CRA. Enrollment can be completed online, and further information is available at canada.ca/my-cra-business-account or by phone at 1-800-959-5525.

Monthly excise cannabis returns may also be printed from our website at canada.ca/cannabis-excise so that they may be completed and submitted by mail. Please note that should a return and any payment due not be filed or received within the time limits, penalty and interest charges may be applied in accordance with the Act.

Methods of Destruction and Analysis

As a reminder, methods for destruction and analysis of cannabis products must be approved by the Minister. Any changes to the previously approved methods must be submitted in writing to the Regional Manager for Excise Duty for approval, prior to implementation of the revised procedures.

Although we reserve the right to be present during any destruction, mandatory notification and witnessing of destruction is not required for regular, routine destruction. However, unusual destruction or the destruction of packaged goods returned from a purchaser are required to be reported and may require witnessing of the destruction by an officer.

Should you have any questions or require clarification regarding the above information, please do not hesitate to contact Mike Campbell at 905-979-8324. For general information regarding the excise duty on cannabis products please go to canada.ca/cannabis-excise. To request a ruling or interpretation or make a technical enquiry on cannabis excise duty, please call 1-866-330-3304 or email cannabis@cra-arc.gc.ca.

Yours truly,

Dan Reggio

Digitally signed by Dan
Reggio
Date: 2020.10.08
18:18:29 -04'00'

Dan Reggio
Regional Manager
Excise Duties and Taxes

**THIS IS EXHIBIT "L" REFERRED TO IN THE
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THE 25TH DAY OF JULY, 2022**

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THOMAS GRAY
A Commissioner for taking affidavits, etc.



**GAMING, LIQUOR AND CANNABIS ACT
CANNABIS REGISTRATION**

REGISTRATION NUMBER: 301363-1
CANNABIS REPRESENTATIVE

REGISTRANT(S): CANVEDA INC.
CANNABIS REGISTRATION: CANVEDA INC.
ADDRESS: 760 TECHNOLOGY DRIVE, PETERBOROUGH, ONTARIO

Terms and Conditions:

THE REPRESENTATIVE IS AUTHORIZED TO OPERATE IN ACCORDANCE WITH THE PROVISIONS OF THE GAMING, LIQUOR AND CANNABIS ACT, GAMING, LIQUOR AND CANNABIS REGULATION, ALBERTA GAMING, LIQUOR AND CANNABIS POLICIES AND ALL OTHER CONDITIONS PRESCRIBED BY THE BOARD.

ANY BREACH OF THE ACT OR REGULATION, BOARD POLICIES, OR THE CONDITIONS PRESCRIBED BY THE BOARD, MAY RESULT IN DISCIPLINARY ACTION BEING TAKEN BY THE BOARD, UP TO SUSPENSION OR CANCELLATION OF THIS REGISTRATION.

THIS REGISTRATION IS NON-TRANSFERRABLE. IT BECOMES VOID SHOULD THE CANNABIS REPRESENTATIVE BE SOLD, ASSIGNED, OR OTHERWISE TRANSFERRED TO THE CONTROL OF ANOTHER PERSON. IF NEW PARTNER(S) ARE ADDED, IT IS THE RESPONSIBILITY OF THE REPRESENTATIVE TO NOTIFY THE ALBERTA GAMING, LIQUOR AND CANNABIS IMMEDIATELY.

EFFECTIVE: MARCH 19, 2022

EXPIRES: MARCH 18, 2024

(UNLESS CANCELLED OR SUSPENDED EARLIER)

Alberta Gaming, Liquor and Cannabis Commission

It is a condition of this licence that the Gaming, Liquor and Cannabis Act and the Gaming, Liquor and Cannabis Regulation and all conditions prescribed by the Board be complied with at all times and any breach of the Act or Regulation or the conditions prescribed by the Board may result in suspension or cancellation of this licence.

THIS LICENCE MUST BE KEPT POSTED IN A PROMINENT POSITION IN THE LICENSED PREMISES.

**THIS IS EXHIBIT "M" REFERRED TO IN THE
AFFIDAVIT OF JEREMY BLUMER SWORN
THE 25TH DAY OF JULY, 2022**

A handwritten signature in black ink, appearing to be 'TG' with a long horizontal stroke extending to the right.

THOMAS GRAY
A Commissioner for taking affidavits, etc.

From: jeremy@mpxinternationalcorp.com
To: andrea@mpxinternationalcorp.com
Subject: FW: Licensed Producer Registration for Canveda Inc. (L1107-2022)
Date: October 28, 2020 5:26:33 PM

FYI

From: michael@mpxinternationalcorp.com <michael@mpxinternationalcorp.com>
Sent: April 15, 2020 9:35 AM
To: jeremy@mpxinternationalcorp.com
Subject: FW: Licensed Producer Registration for Canveda Inc. (L1107-2022)

Michael Arnkvarn BSc
COO MPXI Canada
555 Legget Dr, Suite 536
Tower B,
Kanata, ON
K2K 3B8
416-840-7308 (Toronto office)
613-226-6899 (Ottawa Office)
613-222-5097 (mobile)
www.mpxinternationalcorp.com

From: Gasper, Joanne SLGA <JGasper@slga.gov.sk.ca>
Sent: November 22, 2019 3:32 PM
To: michael@mpxinternationalcorp.com; roshan@mpxinternationalcorp.com
Cc: Henry, Janice SLGA <jhenry@slga.gov.sk.ca>; Bellefleur, Michelle SLGA <mbellefleur@slga.gov.sk.ca>; SLGA - Cannabis Reporting <cannabisreport@slga.gov.sk.ca>; SLGA - Cannabis Inquiries <cannabisinquiries@slga.gov.sk.ca>
Subject: Licensed Producer Registration for Canveda Inc. (L1107-2022)

Dear Michael Arnkvarn:

Please be advised that SLGA has completed its review of your application to register your company to supply cannabis to the Saskatchewan market from the following location:

- **760 Technology Drive, Peterborough, ON, K9J 6X7**

Based on the information provided, I am pleased to inform you that your application has been approved, and that SLGA has registered your company as a cannabis supplier for Saskatchewan. This determination may be revisited should SLGA become aware of changes to the status of your company's federal licenses enabling you to sell cannabis to the retail market.

If you have any questions about this confirmation or about the reporting specifications, please contact cannabisinquiries@slga.gov.sk.ca. When submitting reports as will be required from time to time, please submit to cannabisreport@slga.gov.sk.ca.

Joanne Gasper
Saskatchewan Liquor & Gaming Authority
Director, Cannabis Licensing and Inspections Branch

E: jgasper@slga.gov.sk.ca

W: 306-787-4982 or 800-667-7565

www.slga.com



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**THIS IS EXHIBIT "N" REFERRED TO IN THE
AFFIDAVIT OF JEREMY BLUMER SWORN
THE 25TH DAY OF JULY, 2022**

A handwritten signature in black ink, appearing to be 'TG' with a long horizontal stroke extending to the right.

THOMAS GRAY
A Commissioner for taking affidavits, etc.

MANAGEMENT SERVICES AGREEMENT

This Management Services Agreement (the "Agreement") is entered into on this 7th day of August, 2020 (the "Effective Date"), in Ontario, Canada, by and between Salus Biocetucal (Thailand) Co., Ltd., a corporation organized under the laws of the Thailand ("ThaiCo"), and 2761780 Ontario Inc., a company organized under the laws of Ontario, Canada ("Manager"). ThaiCo and Manager are sometimes collectively referred to herein as the "Parties" or each individually as a "Party").

RECITALS

WHEREAS, to the extent permitted by law, ThaiCo intends to apply for a license ("the License") to be granted pursuant to the Thailand Narcotics Act (as amended) February 18, 2019 ("the Narcotics Act"), permitting ThaiCo to cultivate, process, distribute and export cannabis and cannabinoid-based medical products ("the Cannabis Business");

WHEREAS, pursuant to the Narcotics Act, if ThaiCo has obtained the License, ThaiCo shall be authorized to sell, dispense and export medical cannabis ("Cannabis") as well as sell, dispense and export products which contain Cannabis (collectively referred to herein as the "Cannabis Products");

WHEREAS, Manager is engaged in the business of, among other things, providing consultation on staffing, administrative, operational, advisory and management services related to (i) cannabis cultivation, processing, facility design, and consultation, improvements and operations; (ii) financial management of cultivation, processing, facilities and operations; (iii) logistics, management, product procurement and product inventory management; (iv) the selection, negotiation and other assistance in connection with the procurement of third-party products and services used in cultivation and processing operations; (v) consultation on training, managing and evaluating personnel and contractors for cultivation and processing facility operations; and (vi) all aspects of the consultation for management, administration and operation of medical cannabis cultivation and processing facilities (all of the forgoing being hereinafter referred to together as the "Management Services"), provided, notwithstanding any provision hereof, all Management Services shall be performed outside Thailand and that Manager is located outside Thailand. Manager does not have nor is deemed to have a permanent establishment in Thailand for the purposes of this Agreement and that Manager shall supply equipment, tools and facilities and perform its performance and other work directly from outside Thailand and not through any agent, employee or permanent establishment in Thailand;

WHEREAS, ThaiCo has not heretofore entered into various agreements with third parties to provide to it all or some of the Management Services, and has determined, in light of current and anticipated competitive and regulatory developments, that its interests and objectives would be better served by access to the quality and range of the Management Services that Manager can provide, and the availability to ThaiCo of additional resources which can be provided by or through Manager;

WHEREAS, ThaiCo desires to engage Manager to render the Management Services and Manager desires to render the Management Services to ThaiCo, pursuant to the terms, covenants and conditions described herein; and

WHEREAS, ThaiCo recognizes and agrees that Manager, in fulfilling Manager responsibilities to provide the Management Services will be making a substantial investment and

financial resources in furtherance of ThaiCo business and operations;

AGREEMENT

NOW THEREFORE, in consideration of the premises, which are hereby incorporated in and made a part of this Agreement as if set forth in their entirety below, and the respective covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties hereto, the Parties hereby covenant and agree as follows:

1. Term; Right to Renew; Termination.

(a) Term. This Agreement shall commence on the Effective Date and continue for a period of Twenty (20) years thereafter (the “Initial Term”).

(b) Manager Right to Renew. Manager shall have the right to renew this Agreement (“Right to Renew”) for two (2) additional Twenty (20) year terms (individually referred to herein as a “Subsequent Term” or collectively as “Subsequent Terms”) by providing written notice of its intent to exercise its Right to Renew, to ThaiCo, at least thirty (30) days prior to the conclusion of the Initial Term or any Subsequent Term (the Initial Term, plus any Subsequent Term(s), is referred to herein as the “Term”).

(c) Manager Termination. Manager shall have the right to terminate this Agreement if the operation of the Cannabis Business through ThaiCo ceases to be commercially viable prior to the end of the Term, by written notice to ThaiCo stating the intended date of termination.

For purposes of this Agreement (A) “Governmental Authority” means the Thailand Ministry of Public Health and any other federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of Law), or any arbitrator, court or tribunal of competent jurisdiction; (B) “Law” means the Thailand Narcotics Act (as amended) and any other any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any Governmental Authority; (C) “ThaiCo Change of Control” means a sale, transfer, assignment, conveyance or other disposition of all or substantially all of the property or business of ThaiCo, or a merger or consolidation with or into any other entity or other business transaction or series of transactions as a result of which members of ThaiCo immediately prior to the transaction would hold less than a majority of the voting interests of ThaiCo (or successor or parent company thereof) after the transaction; and (D) “ThaiCo Default” means any breach of ThaiCo’s representations or warranties in this Agreement or ThaiCo’s failure to perform any of its covenants and obligations under this Agreement in any material respect, and such failure (if capable of being cured) is not cured within fifteen (15) days after receipt of written notice from Manager to ThaiCo identifying such failure or non-performance.

(d) ThaiCo Termination. ThaiCo shall have the right to terminate this Agreement prior to the end of the Term, by written notice to Manager, stipulating the intended date of termination, upon the occurrence of any one of the following events: (i) in the event of a Manager Default; (ii) any grossly negligent or intentional or willful misconduct by Manager; (iii) any Government Authority enforcement action, suit, claim, proceeding or investigation described in Section 18 against Manager; (iv) any change or revocation of Law, which shall have the effect of prohibiting the legal operation of its Cannabis Business; and/or (v) the Thailand Ministry Of Public Health's refusal to approve ThaiCo's application to renew its License. For purposes of this Agreement "Manager Default" means any breach of Manager's representations or warranties in this Agreement or Manager's failure to perform any of its covenants and obligations under this Agreement in any material respect, and such failure (if capable of being cured) is not cured within fifteen (15) days after receipt of written notice from ThaiCo to Manager identifying such failure or non-performance.

2. Ownership of Cannabis and Cannabis Products;

(a) The Parties acknowledge and agree that all Cannabis and Cannabis Products purchased, possessed, packaged or offered for sale at the Facility, shall remain the sole and exclusive property of ThaiCo, as the sole and exclusive holder of the License. Neither Manager nor any of Manager's agents, volunteers, employees or independent contractors is authorized to enter into any transaction for the sale or purchase of Cannabis or Cannabis Products nor any other contract or agreement binding ThaiCo; provided, however, that ThaiCo shall procure to Manager, to the extent permitted by applicable Law, all applicable security interest in, contractually and/or under the law, , first priority security on, and a right to set off against, any and all right, title and interest of all of the property, assets and rights of ThaiCo, whether now owned or existing or owned, acquired or arising hereafter acquired (the "Collateral") to satisfy or pay any financial, indemnification or other obligation of ThaiCo to Manager hereunder or otherwise; and that Manager shall not be required to release any Cannabis or Cannabis Products under its control as a bailee of ThaiCo unless and until any and all such obligations have been satisfied and discharged.

(b) The Collateral shall include, to the extent permitted by applicable Law, contractually and/or under the law, but not be limited to, transfer, pledge or mortgage of the following: (i) all accounts; (ii) all money; (iii) all chattel paper; (iv) commercial tort claims and/or claims; (v) all copyrights; (vi) all copyright licenses; (vii) all deposit accounts; (viii) all documents; (ix) all equipment; (x) all fixtures and/or immovable properties; (xi) all general intangibles; (xii) all goods, (xiii) all instruments; (xiv) all inventory; (xv) all investment property; (xvi) all letter-of-credit rights; (xvii) all patents; (xviii) all patent licenses; (xix) all pledged equity and/or movable properties; (xx) all software; (xxi) all supporting obligations; (xxii) all trademarks; (xxiii) all trademark licenses; (xxiv) all books and records related to the Collateral; and (xxv) all accessions and all proceeds of any and all of the foregoing.

(c) In addition to all other representations and warrants made in this Agreement, ThaiCo represents and warrants that no financing statement (other than any filed or approved by Manager) covering any Collateral is on file in any public filing office. ThaiCo hereby authorizes the Manager to prepare and file such financing statements (including continuation statements) or amendments thereof or supplements thereto or other instruments as the lender may from time to time deem necessary or appropriate in order to perfect and maintain the security interests

granted hereunder (including authorization to describe the Collateral as “all personal property”, “all assets” or words of similar meaning), in each case without ThaiCo’s signature whether authorized by applicable Law. Upon written request by Manager, ThaiCo agrees to deliver certificates of title on which Manager’s lien has been indicated covering any Collateral subject to a certificate of title statue. ThaiCo hereby constitutes and appoints Manager the true and lawful attorney of ThaiCo with full power of substitution to take any and all appropriate action and to execute any and all documents, instruments or applications that may be necessary or desirable to accomplish the purpose and carry out the terms of this Agreement relating to the security interest granted hereby. The foregoing power of attorney is coupled with an interest and shall be irrevocable until all of ThaiCo’s obligations to Manager have been paid or satisfied in full. ThaiCo agrees to take such other actions, at ThaiCo’s expense, as might be requested for the perfection, continuation and assignment, in whole or in part, of the security interests granted herein and to assure and preserve Manager’s intended priority position. If certificates, passbooks, or other documentation or evidence is/are issued or outstanding as to any of the Collateral, ThaiCo will cause the security interests of Manager to be properly protected, including perfection by notation thereon or delivery thereof to Manager. ThaiCo shall execute all required documents and registration to validate the security under applicable Law as prepared and provided by Manager and provide all cooperative actions as requested by Manager at ThaiCo’s own expense.

(d) If a ThaiCo Default occurs, Manager shall have all the rights and remedies of a secured party. Without limitation thereto, Manager shall have the following rights and remedies: (i) to the extent permitted by applicable Law, to take possession of Collateral by legal process, and for such purpose, to enter upon any premises on which Collateral or any part thereof may be situated and to remove the same therefrom, or, at its option, to render Collateral unusable or dispose of said Collateral on ThaiCo’s premises; (ii) to require ThaiCo to assemble the Collateral and make it available to Manager at a place to be designated by Manager; (iii) to dispose of Collateral, (except for Cannabis or Cannabis Products, which may only be sold by ThaiCo) as a unit or in parcels, separately or with any real property interests also securing obligations of ThaiCo in any county or place to be selected by Manager, at either private or public sale (at which public sale Manager may be the purchaser) with or without having the Collateral physically present at said sale. The proceeds of any such sale shall be credited against the obligations, and if the Manager is the purchaser at such sale by virtue of a credit bid (in which no actual funds change hands), then the obligations shall be deemed fully satisfied by such credit bid. For purposes of this Agreement, “Bankruptcy Law” means the Thai Bankruptcy Act and all other related regulations and all other related regulations (“Bankruptcy”); and “Debtor Relief Laws” means, collectively: (i) the Bankruptcy Law; and (ii) all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States, any state thereof or any other applicable jurisdictions from time to time in effect.

(e) Any notice of sale, disposition or other action by Manager required by applicable Law and sent to ThaiCo at its address shown in this Agreement, or at such other address of ThaiCo as may from time to time be shown on the records of Manager, at least ten (10) business days prior to such action, shall constitute reasonable notice to ThaiCo. Notice shall be deemed given or sent ten mailing days after being mailed postage prepaid to ThaiCo’s address as provided herein. Manager shall be entitled to apply the proceeds of any sale or other disposition of the

Collateral, and the payments received by Manager with respect to any of the Collateral, in such other and manner as ThaiCo may determine.

3. Medical Cannabis License. The Parties acknowledge and agree that ThaiCo has not been qualified to apply for the License under the current Narcotics Act. In the event that Narcotics Act has been amended to allow ThaiCo to apply for the License, the Company may apply and obtain the License and, in such case, the License shall remain the License of ThaiCo and nothing in this Agreement shall be construed as a transfer, assignment, sale or conveyance of the License to Manager or any of Manager's successors, affiliates, agents, volunteers, employees or independent contractors.

Parties further agree that ThaiCo shall supply the Manager with copies of applicable registration documents no later than seven (7) days from the date of issuance of such documents by the relevant authority.

4. Responsibilities, Duties, and Obligations of Manager.

(a) Commitment. Manager acknowledges and agrees it shall take any actions to ensure the effectiveness and efficiency of ThaiCo's business at the Cannabis Business facility, through the rendering of the Management Services contemplated herein.

(b) Compliance. Manager shall take all actions necessary in furtherance of, in compliance with, or otherwise in any way related to any change whatsoever in any applicable Law relative to the procurement, entitlement, compliance, development of the Cannabis Business that comes into being, occurs, accrues, becomes effective, or otherwise becomes applicable or required after the Effective Date of this Agreement.

(c) Cash Management, Bookkeeping and Accounting. Manager shall maintain separate accounting, bookkeeping, billing, collection, cash management, payroll, record-keeping services and annual audit services consistent with International Financial Reporting Standards generally accepted accounting principles in effect from time to time ("IFRS") as it relates to the activities at the Facility. Additionally, Manager shall maintain in its own name, but on behalf of ThaiCo, all operating bank accounts respecting the Business.

5. Authority of Manager. ThaiCo hereby exclusively grants to Manager all authority and power necessary for Manager to undertake and perform its responsibilities, duties and obligations hereunder, to the full extent permitted and/or except in cases wherein it is impermissible to do so under applicable Law.

6. Obligations of ThaiCo.

(a) Maintenance and Renewal of the License; Compliance.

(i) In the event that ThaiCo has obtained the License, it shall maintain its License in good standing and eligible for renewal, and shall take all actions necessary in furtherance of, in compliance with, or otherwise in any way related to any change whatsoever in any applicable Law relative to the procurement, entitlement, compliance, development, operation, or management of its Cannabis Business, that comes into being, occurs, accrues, becomes

effective, or otherwise becomes applicable or required after the Effective Date of this Agreement. ThaiCo shall duly and timely file such applications as may be necessary to renew its License throughout the Term of this Agreement and to provide the Manager with copies of the applicable renewal documents.

(ii) In addition to, and not in limitation of, the foregoing ThaiCo shall also remain in full compliance with all applicable Laws and regulations, including zoning and permitting, as may be applicable to its business and operations.

(iii) ThaiCo shall promptly notify Manager of any notices, written or verbal, ThaiCo may receive from any Governmental Authority regarding any deficiencies or violations, or any corrective or remedial action required, in connection with its License or its business or operations, and shall promptly take any corrective or remedial actions necessary. To the full extent permitted by applicable Law, Manager is hereby authorized to take such actions on behalf of ThaiCo as may be necessary in connection with the maintenance and/or renewal of the License, or any corrective or remedial measures as may be required in furtherance thereof, in each case of the expense of ThaiCo (but only to the extent such costs and expenses can be paid out of the gross revenues of the Cannabis Business), unless caused by any act or omission of Manager or any of its employees or authorized agents in violation of this Agreement.

(b) Bookkeeping and Accounting. Manager shall maintain separate accounting, bookkeeping, billing, collection, cash management, payroll, record-keeping services and annual audit services in connections with the ThaiCo's business and operations consistent with IFRS as it relates to the activities at the Cannabis Business facility, and shall promptly file or cause to be filed all sales on other tax forms, or similar documents, and shall withhold and/or pay, or appropriate, all taxes license or similar fees as may be required by any applicable Law. Manager shall be required to submit to ThaiCo quarterly financial statements as to the operations of the Cannabis Business within sixty (60) days following the end of each calendar quarter.

7. Management Services. During the Term of this Agreement, Manager shall be responsible for supporting the development, administration, operation and management of the Cannabis Business and shall provide all management services typically required by an operation of a similar type and size, including, but not limited to the following, which shall collectively be referred to herein as the "Management Services":

(a) Manager shall be responsible for supporting the development and implementation of the business plan and policies and procedures for security, qualifying patient education, qualifying patient record keeping, inventory and quality control, qualifying patient education and any other policies and procedures or any amendments thereto, approved and adopted by ThaiCo for the Cannabis Business.

(b) Manager shall take any action reasonably necessary in its sole and absolute discretion in furtherance of, in compliance in all material respects with, or otherwise in any way related to any change whatsoever in any applicable Law relative to the procurement, entitlement, compliance, development the Cannabis Business that comes into being, occurs, accrues, becomes effective, or otherwise becomes applicable or required after the Effective Date.

(c) Manager shall be responsible for recommendation for selecting and contracting with any third party consultants, independent contractors, vendors or service providers, which it deems, in its sole and absolute discretion, to be necessary for the build-out, development, administration, operation and management of the Cannabis Business.

(d) Manager shall implement all actions reasonably necessary in its sole and absolute discretion to ensure the quality, safety and security of the Cannabis Facility, the Cannabis Business, Cannabis and Cannabis Products, including providing recommendation of product testing and analytics at industry standards for all products grown and developed for ThaiCo, provided that such testing shall be performed by ThaiCo under the recommendation of Manager.

(e) Manager shall utilize appropriate technology as selected by Manager in its sole and absolute discretion, in conjunction with the software program to remotely manage and maintain all accounting, bookkeeping, billing, collection, cash management, payroll, record-keeping services and annual audit services consistent with IFRS as it relates to all activities conducted at or through the Cannabis Business facility.

(f) Manager shall provide instructions and/or manual for ThaiCo to conduct a daily reconciliation of all Cannabis and Cannabis Product sales, purchases, transfers and any other activities occurring at or through the Cannabis Business facility.

(g) Manager shall provide consultancy service for supplying, managing, engaging, training, evaluating and terminating employees and independent contractors of the Business, in which ThaiCo shall directly contract or hire those employees, contractors or trainers as recommended by Manager.

(h) Manager shall provide supportive instrument and/or suggestion to implement procedures reasonably necessary in its sole and absolute discretion to ensure all ThaiCo's employees and independent contractors working within the Cannabis Business.

(i) Manager shall be responsible for advising logistics management, product procurement, product inventory management, staffing, administration and operation of the Cannabis Business facility including, but not limited to the cultivation, harvest, preparation, production, infusion, packaging, storage, security and transport of Cannabis and Cannabis Products, in compliance with applicable Laws in all material respects for ThaiCo.

(j) Manager shall prepare all documents and compliance forms reasonably requested by ThaiCo, whether or not they are required or requested by Governmental Authorities, including tax forms and documentation as it relates to the Cannabis Business and shall respond to such requests within seven (7) business days.

(k) Manager shall provide consultancy service for the staffing, administration, operation and management of all aspects of the Cannabis Business facility and Cannabis Business. Manager shall be responsible for all costs, fees and expenses, which Manager deems, in its sole and absolute discretion, necessary for its service of ongoing administration, operation and management of the Facility and Cannabis Business, including but not limited to staff, supplies, equipment, materials and goods.

(l) Manager shall, at its own cost and expense, purchase insurance for its Management Services for the Cannabis Business of such types, on such terms and in such amounts as the Manager, in its sole and absolute discretion, deems reasonable. Such insurance shall include business liability and property casualty insurance and workers' compensation insurance on all regular employees, in commercially reasonable amounts sufficient to cover any foreseeable civil claims, property damage, or personal injury and to replace the Facility. ThaiCo and Manager agree that each shall be either the insured party or an additional named insured, as appropriate, under all such policies, and Manager provide ThaiCo with current copies of all such insurance documentation.

(m) Both Parties agree that all Management Services shall be performed outside Thailand and that Manager is located outside Thailand. Manager does not have nor is deemed to have a permanent establishment in Thailand for the purposes of this Agreement and that Manager shall supply equipment, tools and facilities and perform its performance and other work remotely and directly from outside Thailand and not through any agent, employee or permanent establishment in Thailand. All ThaiCo's employees and outsources including trainers shall be hired or contracted directly by ThaiCo, with the suggestion to be given by Manager.

8. Costs and Expenses Related to the Cannabis Business facility and Cannabis Business. The Parties acknowledge and agree there is a great deal of cost and expense related to the maintenance operation and management of the Cannabis Business facility and Cannabis Business, in each in compliance, in all material respects, with the terms and covenants contained herein and applicable Laws. Such costs and expenses specifically include the rent and all other sums due and payable under that certain lease for the Cannabis Business facility located in Chiang Mai Province, Thailand or any place to be agreed by ThaiCo and the Manager (the "Lease"). In providing the Management Services described herein, all costs and expenses incurred by the Manager are properly includable in the calculation of ThaiCo's cost of goods sold and shall be payable or reimbursable by ThaiCo (solely from the gross proceeds of the Cannabis Business) at the Manager's cost plus a ten percent (10.0%) handling charge. For clarity purposes, the parties acknowledge and agree that ThaiCo, and its shareholders, directors and officers, shall not, during the Term, be required hereunder to advance or provide any funds whatsoever to pay the costs and expenses of operating the Cannabis Business facility and the Cannabis Business (including (i) the rentals and other sums due under the Lease (ii) all losses, if any, of the Cannabis Business, and (iii) including the sums specified in the next sentence below) except in the case of a breach of this Agreement or the Lease by ThaiCo (in the case of this Agreement and the Lease) and that Manager shall be required to advance such funds on an as needed basis, as determined by Manager in its sole discretion, from time to time and shall reimburse itself, as aforesaid, solely from the gross proceeds of the Cannabis Business. Additionally, the parties acknowledge and agree (x) that Manager has and during the Term shall continue to incur all of the costs and expenses (of a capital nature or otherwise) of building out the Cannabis Business facility and in installing all of the equipment therein in order to operate the Cannabis Business, (y) that all of such costs and expenses shall be governed by the preceding sentence, and (z) that Manager shall own all of such improvements and equipment.

8A. ThaiCo Taxes. It is hereby agreed that all income taxes owed by ThaiCo as a result

of the Cannabis Business (the “ThaiCo Taxes”) shall be paid solely and exclusively from the gross revenue of the Cannabis Business. ThaiCo’s accountants shall estimate all of such taxes on a calendar quarterly basis, subject to review and approval by Manager’s accountants (such approval not to be unreasonably withheld, conditioned or delayed). Upon approval, Manager shall advance the necessary funds to ThaiCo to pay such taxes solely and exclusively from the gross revenue of the Cannabis Business by the fifteenth (15th) day of the month following the end of the applicable calendar quarter. A reconciliation of all of such interim payments will be made by the parties within thirty (30) days after the end of each calendar year; as a result of such reconciliation, if amounts are due to applicable taxing authorities due to an underpayment of quarterly ThaiCo Taxes, Manager shall (or shall cause ThaiCo to) fund the same solely and exclusively from the gross revenue of the Cannabis Business within ten (10) days thereafter, and if amounts are due or deemed due from ThaiCo as a result of any overpayment of estimated quarterly ThaiCo Taxes (“ThaiCo Tax Overpayment”), the same shall be, at the option of Manager, either (a) credited against subsequent quarterly payments of estimated ThaiCo Taxes or (b) payable to Manager out of the gross revenue of the Cannabis Business. ThaiCo shall be responsible and comply with applicable tax requirements and obligations including Value Added Tax, stamp duties and other governmental fees, applicable to this Agreement (if any).

9. Management Fees. The Parties acknowledge and agree as good and valuable compensation for Manager taking the actions necessary to render the Management Services, on behalf of ThaiCo, pursuant to this Agreement, Manager shall be entitled to pay to itself the “Management Fees” (further described in Exhibit “A” attached and incorporated herein by reference) from the gross revenues of the Cannabis Business provided that all of such payments are reflected in the financial statements provided by Manager to ThaiCo hereunder. In complete compliance with the Thailand Narcotics Act, nothing contained herein shall be construed to be profit sharing or providing the Manager an ownership interest in ThaiCo or any other beneficial interest which would violate ThaiCo’s obligations under the Thailand Narcotics Act and/or ThaiCo’s good standing with the Thailand Ministry of Public Health. The Parties shall periodically determine the Management Fees as the Parties mutually deem necessary for the ongoing and successful management, governance, administration and operation of the Cannabis Business facility and the Cannabis Business. The Management Fees provided herein shall exclude all kinds of withholding taxes applicable to the Management Fee.

10. Exclusive Contractual Commitment. The Parties acknowledge and agree, Manager shall be ThaiCo’s sole and exclusive provider of Management Services for the management, administration, governance and operation of its Cannabis Business and that the Manager shall not provide or offer its Management Services to any other party working in (or proposing to work in) the cannabis industry within the country of Thailand.

11. Independent Contractor Status; Authority.

(a) The relationship of Manager to ThaiCo is that of an independent contractor and none of the provisions of this Agreement shall be construed to or shall create a relationship of agency, representation, joint venture, ownership, control or employment between the Parties, and it is understood and agreed that Manager is at all times acting and performing the Management Services pursuant to this Agreement as an independent contractor and not as an employee of ThaiCo, and for all purposes, including tax purposes, Manager will not be treated as an employee

with respect to the rendering of the Management Services. As such, Manager's compensation hereunder shall exclude all kinds of withholding taxes applicable to the compensation. ThaiCo shall not control or direct the manner or methods by which Manager performs the Management Services set forth in this Agreement; provided, however, Manager shall be responsible for performing the Management Services in a manner so as, at all times, to ensure that the contemplated Management Services are completed and performed in a competent, efficient and satisfactory manner, and in accordance with all applicable laws and regulations in all material respects and shall not act recklessly or willfully in such a manner as to damage the name or reputation of ThaiCo or any party associated with ThaiCo .

(b) The Parties expressly agree that ThaiCo has not established the specific methods of how Manager should perform the Management Services pursuant to this Agreement. ThaiCo is relying on Manager's knowledge, experience and expertise as an expert in the management and operation of Cannabis Business facilities.

(c) ThaiCo expressly acknowledges that Manager is a wholly-owned subsidiary of a public company and confirms that ThaiCo and ThaiCo's equity holders, directors, managers, employees and agents will comply with all insider trading restrictions, rules and Laws.

12. Representations, Warranties and Covenants of ThaiCo. ThaiCo represents, warrants, and covenants to Manager, with the understanding Manager is relying upon such representations, warranties, and covenants that:

(a) ThaiCo was originally organized as for-profit corporation under the laws of Thailand;

(b) ThaiCo is duly qualified to carry on its business, is in good standing, in each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities makes such qualification necessary, except where failure to be duly qualified or in good standing would not reasonably be expected to have a material adverse effect;

(c) ThaiCo has full right, power and authority, and has taken all corporate action necessary, to enter into this Agreement and be bound by and carry out its obligations hereunder;

(d) ThaiCo is not a participant in any joint venture and is not the trustee or beneficiary of any trust, nor is it a holding company or affiliated with a holding corporation or any other body corporate;

(e) To the best of its knowledge, ThaiCo has complied with all requirements for the operation of its business and operations in accordance with the Laws of Thailand and any Governmental Authority having jurisdiction with respect thereto;

(f) The execution and delivery of this Agreement, and the performance by ThaiCo of its obligations pursuant to this Agreement, do not and will not constitute a breach of or a default under any other agreement or obligation applicable to ThaiCo;

(g) Upon execution and delivery of it by ThaiCo, this Agreement will constitute
Management Services Agreement

the valid and binding obligation of ThaiCo;

(h) All information supplied by ThaiCo or its agents to Manager or its agents is true, complete, and correct and will not fail to state a material fact necessary to make any of such information not misleading;

(i) ThaiCo understands and agrees that Manager is and will be the sole owner of any and all other information, documents, applications, data, schematics, diagrams, and the like used by Manager or its affiliates pursuant to or otherwise in furtherance of the purposes of this Agreement;

(j) Except for agreements which have been assigned to Manager or which are being superseded hereby, ThaiCo has not entered into any agreements or contracts with any third party to provide management services on behalf of the Cannabis Business; and

(k) There are no actions, suits, claims, proceedings or investigations pending or to the knowledge of ThaiCo, threatened, against or involving ThaiCo, brought by ThaiCo, affecting ThaiCo, or any of the rights and obligations described herein, at law or in equity or before or by any Governmental Authority, nor has any such action, suit, claim, proceeding or investigation been pending during the twenty-four (24) month period preceding the Effective Date of this Agreement.

13. Representations, Warranties and Covenants of Manager. Manager represents, warrants, and covenants to ThaiCo, with the understanding ThaiCo is relying upon such representations, warranties, and covenants that:

(a) Manager is a company which was duly organized, and is validly existing under the Laws of Ontario, Canada;

(b) Manager is duly qualified to carry out its business, and is in good standing in each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities makes such qualifications necessary, except where failure to be duly qualified or in good standing, would not have a material adverse effect on its business or operations and of its ability to fulfill its duties, responsibilities or obligations hereunder;

(c) Manager has the full right, power, and authority, and has taken all limited liability company action necessary, to enter into this Agreement and be bound by the terms of this Agreement without the consent of any other person or entity;

(d) The execution and delivery of this Agreement and the performance by Manager of its obligations pursuant to this Agreement do not and will not constitute a breach of or a default under any other agreement or obligation applicable to Manager; and

(e) To the best of its knowledge having taken appropriate advice, Manager has complied, in all material respects, with all requirements for the operation of its business and operations in accordance with the Laws of Thailand and any Governmental Authority having jurisdiction with respect thereto;

(f) There are no actions, suits, claims, proceedings or investigations pending or

to the knowledge of Manager, threatened, against or involving Manager, brought by Manager, affecting Manager, or any of the rights and obligations of Manager described herein, at law or in equity or before or by any Governmental Authority, nor has any such action, suit, claim, proceeding or investigation been pending during the twenty-four (24) month period preceding the Effective Date of this Agreement; and

(g) Upon execution and delivery of this Agreement by the Manager, this Agreement will constitute the valid and binding obligation of Manager.

14. Indemnification.

(a) ThaiCo shall, to the fullest extent permitted by applicable Law, indemnify, defend and hold harmless the Manager, its affiliates and their respective officers, directors, employees and agents (“Manager Indemnified Persons”) from and against any and all Losses, as defined below, which a Manager Indemnified Person may suffer, incur, or pay arising out of or resulting from (i) any breach by ThaiCo of any of its covenants or agreements set forth in this Agreement, (ii) any negligent, fraudulent or criminal act or omission, or any act or omission constituting willful misconduct, of or by ThaiCo or any of its employees, agents or contractors but only with respect to the Cannabis Business facility and/or the Cannabis Business, (iii) any breach by ThaiCo of the terms of the Lease or any demand for payment by the landlord thereunder following a default by ThaiCo under the terms of the Lease, and/or (iv) any inaccuracy in or breach by ThaiCo of any of the representations or warranties of ThaiCo set forth in this Agreement.

For the purposes of this Section 14, “Losses” means any and all demands, damages, payments, obligations, claims, suits, actions or causes of action, investigations, proceedings, taxes, fines or penalties (including, without limitation, those imposed by Governmental Authorities), assessments, losses, liabilities, and costs and expenses incurred in connection with any of the foregoing, including, without limitation, reasonable attorneys’ and experts’ fees and/or interest on any amount payable to a third party as a result of the foregoing, and any other expenses reasonably incurred in connection with investigating or defending any actions, suits, claims, proceedings or investigations whether or not resulting in any liability, and all amounts paid in settlement of such actions, suits, claims, proceedings or investigations; provided, that “Losses” shall exclude punitive and exemplary damages and consequential damages, including lost income and profits and interruptions of business to the extent constituting consequential damages except to the extent arising out of or resulting from fraud. Without limiting the generality of the foregoing, but for the avoidance of doubt, Manager’s shall also include, but not be limited to, any actual out of pocket cost of Manager associated with the work completed on behalf of Manager in entering into this Agreement and the consummation of the transactions contemplated by this Agreement.

(b) The Manager shall, to the fullest extent permitted by applicable Law, indemnify, defend and hold harmless ThaiCo, its affiliates and their respective officers, directors, shareholders, members, managers, employees and agents, as well as the Guarantors (“ThaiCo Indemnified Persons”) from and against any and all Losses which a ThaiCo Indemnified Person may suffer, incur or pay arising out of or resulting from (i) any breach by the Manager of any of its covenants or agreements set forth in this Agreement, (ii) any negligent, fraudulent or criminal act or omission, or any act or omission constituting willful misconduct, of or by Manager or any of its employees, agents or contractors but only with respect to the Cannabis Business facility

and/or the Cannabis Business in connection with the performance of the Management Services, (iii) any breach by Manager of the terms of the Lease or any demand for payment by the landlord thereunder or under the Guaranty, and/or (iv) any inaccuracy in or breach by the Manager of any of the representations or warranties of the Manager set forth in this Agreement.

(c) If any action, suit, claim, proceeding or investigation is begun, made or instituted as a result of which the party entitled to provide indemnification hereunder (“Indemnitor”) may become obligated to an individual or entity entitled to indemnification pursuant to this Section 14 (“Indemnitee”), the Indemnitee shall give written notice to the Indemnitor within five (5) business days of its receipt of notice of such action, suit, claim, proceeding or investigation specifying in reasonable detail the facts upon which the claimed right to indemnification is based; provided, that the failure to timely give such notice shall not relieve the Indemnitor of its indemnification obligations hereunder except to the extent that such failure has a material prejudicial effect on the Indemnitor with such action, suit, claim, proceeding or investigation. The Indemnitor shall assume the defense of such action, suit, claim, proceeding or investigation; and the Indemnitee shall have the right (but not the obligation) to participate at their own expense by counsel of it choice in such defense but shall, at the cost of the Indemnitor, cooperate with and assist the Indemnitor to the extent reasonably possible; provided, that if (i) the Indemnitor and the Indemnitee are both named parties to an action, suit, claim, proceeding or investigation and the Indemnitee shall have reasonably concluded that representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them or (ii) the Indemnitor is not entitled to a legal defense or counterclaim available to the Indemnitee, then the Indemnitor shall be liable for the reasonable fees and expenses of one outside counsel to the Indemnitee in each jurisdiction for which the Indemnitee reasonably determines counsel is required.

(d) The Indemnitor shall not, without the prior written consent of the Indemnitee, settle, compromise or offer to settle or compromise any action, suit, claim, proceeding or investigation on a basis that would result in (i) injunctive or other nonmonetary relief against the Indemnitee or any affiliate of the Indemnitee, including, without limitation, the imposition of a consent order, injunction or decree that would restrict the future activity or conduct of the Indemnitee or any affiliate of the Indemnitee, (ii) a finding or admission of a violation of applicable law or violation of the rights of any individual or entity by the Indemnitee or any affiliate of the Indemnitee or (iii) any monetary liability of the Indemnitee or any affiliate of the Indemnitee that will not be promptly paid or reimbursed by the Indemnitor. An Indemnitee shall not, without the prior written consent of the Indemnitor, which consent shall not be unreasonably withheld, conditioned or delayed, settle, compromise or offer to settle or compromise any action, suit, claim, proceeding or investigation for which indemnification has been, or will be, sought against the Indemnitor pursuant to this Section 14.

(e) EXCEPT IN THE CASE OF FRAUD, EACH PARTY’S AGGREGATE LIABILITY TO EACH INDEMNIFIED PERSONS, IF ANY, SHALL IN NO EVENT EXCEED THE AGGREGATE PROFESSIONAL FEE PAID OR PAYABLE BY THAICO HEREUNDER FOR THE ONE (1) YEAR PERIOD PRIOR TO THE DATE THE APPLICABLE CLAIM IS ASSERTED PURSUANT TO SECTION 14; PROVIDED, HOWEVER, THAT IN THE EVENT THE LICENSE IS REVOKED, SUPSENDED OR MATERIALLY RESTRICTED DUE TO

ANY ACT OR OMISSION OF MANAGER OR ANY OF ITS EMPLOYEES, AGENTS OR CONTRACTORS, THEN THE MANAGER'S LIABILITY TO THAICO UNDER THIS SECTION 14 SHALL BE IN AN AMOUNT EQUAL TO THE COMMON STOCK PAYMENT DUE UNDER THAT CERTAIN OPTION AGREEMENT OF EVEN DATE HEREWITH BETWEEN MANAGER AND THE SHAREHOLDERS OF THAICO. An Indemnitor shall not be liable for any claim asserted by an Indemnitee more than one hundred twenty (120) days after the Indemnitee is or reasonably should have been aware of such claim.

15. Confidential Information.

(a) Neither Party shall disclose or use non-public, confidential or proprietary information ("Confidential Information") of the other Party except in connection with the performance of its obligations under this Agreement. In addition, each Party agrees to use reasonable care, but in no event less than the same degree of care that it uses to protect its own confidential and proprietary information of similar importance, to prevent the unauthorized disclosure and/or use of the Confidential Information of the other Party. For purposes of this Section 15, ThaiCo and the Manager shall include each entity individually, together with their respective employees and agents, as well as each of their respective affiliates, and their affiliates' respective employees and agents.

(b) This Section 15 shall not, however, apply to any information of a Party ("Disclosing Party") that (i) is or becomes generally available to the public other than as a result of a disclosure by the receiving Party ("Receiving Party"); (ii) was within the Receiving Party's possession prior to its being furnished to the Receiving Party by the Disclosing Party; or (iii) becomes available to the Receiving Party on a non-confidential basis from a source other than the Disclosing Party; provided, that with respect to clauses (ii) and (iii) above, the source of such information was not bound by a confidentiality agreement with or other contractual, legal or fiduciary obligation of confidentiality to the Disclosing Party or any other individual or entity with respect to such information.

(c) A Receiving Party may disclose Confidential Information of the Disclosing Party to those third parties who have a need to know such information for the purpose of assisting the Receiving Party in performing its obligations under this Agreement if, and only if, the Receiving Party: (i) instructs any such third party that the Confidential Information of the Disclosing Party is confidential and proprietary and is to be held in strict confidence pursuant to the terms of this Section 15 and (ii) prior to disclosing any such Confidential Information, provides a copy of this Section 15 to each such third party and obtains each such third party's agreement to comply with and be bound by the terms of this Section 15 as if it were a party hereto (including, without limitation, as a "Receiving Party" hereunder).

(d) If a Receiving Party is compelled by deposition, interrogatory, subpoena, civil investigative demand or similar process, or upon demand of any Governmental Authority with jurisdiction over it or as otherwise required by applicable law ("Disclosure Demand") to disclose any of the Confidential Information of the Disclosing Party, the Receiving Party will provide the Disclosing Party with prompt written notice of each such Disclosure Demand so that the Disclosing Party may (at its expense) seek an appropriate protective order or other appropriate remedy and/or grant a limited waiver of the Receiving Party's compliance with the confidentiality

and non-disclosure provisions of this Section 15. In addition, if requested by the Disclosing Party, the Receiving Party shall assist the Disclosing Party at the Disclosing Party's expense in obtaining a protective order and taking other legally available steps to resist or narrow any such Disclosure Demand. In the event that such protective order or other remedy is not obtained promptly, the Receiving Party may furnish that portion (and only that portion) of such Confidential Information which, in the written opinion of the Receiving Party's counsel, the Receiving Party is legally required to disclose and will otherwise exercise reasonable efforts to obtain reliable assurance that confidential treatment will be accorded any such Confidential Information.

(e) In the event of the termination or expiration of this Agreement, each Party will promptly return to the other Party all Confidential Information of such Party; provided, that the Receiving Party shall be entitled to keep a copy of such information, subject to its ongoing obligations under this Paragraph 15, to the extent required under applicable Law, as necessary to comply with its obligations under this Agreement, legal record-keeping requirements or in connection with any action, suit, claim, proceeding or investigation related to this Agreement. That portion of the Confidential Information of the Disclosing Party that may be found in analyses, compilations, studies or other documents prepared by the Receiving Party will be held by the Receiving Party and kept subject to the terms of this Section 15.

(f) In the event of breach of this Section 15, the breaching Party agrees to pay the non-breaching Party any and all Losses incurred by the non-breaching Party as a result of the breach. It is further understood and agreed that money damages would not be a sufficient remedy for any breach of this Section 15 and that the non-breaching Party shall be entitled to petition a court of competent jurisdiction for specific performance and injunctive and other equitable relief for any such breach, without the necessity of showing any actual damages or that money damages would not afford an adequate remedy, and without the necessity of posting any bond or other security. Such remedies shall not be deemed to be the exclusive remedies for a breach of this Paragraph 15 but shall be in addition to all other remedies at law or in equity to either party.

16. Intellectual Property.

(a) Intellectual Property Defined. For purposes of this Section 16, "Intellectual Property" means all intellectual property and industrial property rights and assets, and all rights, interests and protections that are associated with, similar to, or required for the exercise of, any of the foregoing, however arising, pursuant to the laws of any jurisdiction throughout the world, whether registered or unregistered, including any and all: (i) trademarks, service marks, trade names, brand names, logos, trade dress, design rights and other similar designations of source, sponsorship, association or origin, together with the goodwill connected with the use of and symbolized by, and all registrations, applications and renewals for, any of the foregoing; (ii) internet domain names, whether or not trademarks, registered in any top-level domain by any authorized private registrar or governmental authority, web addresses, web pages, websites and related content, accounts with Twitter, Facebook and other social media companies and the content found thereon and related thereto, and URLs; (iii) works of authorship, expressions, designs and design registrations, whether or not copyrightable, including copyrights, author, performer, moral and neighboring rights, and all registrations, applications for registration and renewals of such copyrights; (iv) inventions, discoveries, trade secrets, business and technical information and know-how, processes, formulae, databases, data collections and other confidential and proprietary

information and all rights therein; and (vi) patents (including all reissues, divisionals, provisionals, continuations and continuations-in-part, re-examinations, renewals, substitutions and extensions thereof), patent applications, and other patent rights and any other governmental authority-issued indicia of invention ownership (including inventor's certificates, petty patents and patent utility models).

(b) Previously Developed Intellectual Property. All Intellectual Property created prior to or independently of this Agreement which either Party has the right, whether through ownership or an appropriate license, which is used or disclosed by such Party for the purposes of carrying out its obligations under this Agreement ("**Background IP**"), shall remain the sole and exclusive property and/or right of such Party. For the avoidance of doubt, the Background IP of the ThaiCo includes the items set forth in EXHIBIT B.

(c) Development of Intellectual Property. Any and all Intellectual Property directly or indirectly discovered, developed, created, or arising as a result of the Management Services, including but not limited to further inventions of improvements or adaptations to Background IP ("New IP") shall be owned by the Manager, unless otherwise agree to in writing between the Parties. Manager shall have the right, but not the obligation, to seek statutory Intellectual Property protection covering the New IP anywhere in the world, whether in its name or in the name of its designated entity. ThaiCo shall sign all documents necessary to perfect the rights of Manager in such New IP, including the filing and/or prosecution of any applications for copyrights, trademarks or patents, and shall use reasonable efforts to ensure that its employees and contractors fully cooperate in the Manager's efforts of obtaining statutory Intellectual Property protection for the New IP.

(d) No license. Other than expressly provided for in this Agreement, nothing in this Agreement grants or shall be construed to grant to any Party any right or license to any Intellectual Property or to any application for any Intellectual Property rights that are held by and/or that are in the name of the other Party, nor to any confidential or proprietary information that a Party may receive from the other Party.

(e) No challenge. ThaiCo undertakes that it shall not, and shall procure that its employees and contractors shall not, at any time lay any claim, challenge, or make any assertion in relation to any of the Manager's Intellectual Property, including the New IP, anywhere in the world.

17. Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); or (c) on the date sent by facsimile or email of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient. Such communications must be sent to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 17):

If to the Manager, to: 2761780 Ontario Inc.
26 Overbrook Place, Toronto, Ontario,
Canada M3H4P2,
E-mail: scott @mpxinternationalcorp.com
Attention.: W. Scott Boyes, CEO

If to ThaiCo, to: SALUS BIOCEUTICAL (THAILAND) CO., LTD.
Level 29, The Offices at Central World, 999/9 Rama 1 Road,
Pathumwan, Bangkok, 10330, Thailand
E-mail: scott @mpxinternationalcorp.com
jeremy@mpxinternationalcorp.com
Attention.: W. Scott Boyes, Director and
Jeremy Budd, Director

18. Governing Law. This Agreement shall be governed by and interpreted in accordance with the Laws of Thailand.

19. Arbitration.

(a) Except as provided in Section 15(f), any dispute or controversy arising under this Agreement, which is unable to be resolved by good faith negotiations between the Parties, shall be determined and resolved by binding arbitration in Bangkok, Thailand in accordance with the Commercial Arbitration Rules of the American Arbitration Association (“AAA”) in effect on the date the arbitration is commenced. In the event of any inconsistency between such rules and the terms of this Agreement, this Agreement shall supersede the rules of the AAA. Judgment on any award rendered in the arbitration may be entered in any court having jurisdiction and shall be final, binding and non-appealable and conclusive. The AAA shall have jurisdiction over the Parties to this Agreement for purposes of the arbitration. The provisions of this Agreement pertaining to arbitration shall be binding upon the heirs, successors, assigns, personal representatives and bankruptcy trustees of the Parties.

(b) The AAA shall administer the arbitration. The AAA shall appoint a single arbitrator to conduct the arbitration from its regularly maintained list of commercial arbitrators. The arbitration shall occur within thirty (30) days of the AAA’s receipt of a demand for arbitration in accordance with this Agreement. Not more than twenty (20) days after its appointment, the arbitrator shall conduct a preliminary hearing in accordance with AAA guidelines. Not less than five (5) days prior to the preliminary hearing, each Party shall serve upon the other Party a written list of witnesses and exhibits to be used at the arbitration hearing. Except for good cause shown, no witness or exhibit may be utilized at the arbitration other than those set forth on such lists. The arbitrator shall issue a final award not more than fourteen (14) days following the conclusion of the hearing. The arbitrator shall have the power to hear and decide, by documents only or with a hearing (at the arbitrator’s sole discretion), any pre-hearing motions in the nature of pre-trial motions to dismiss or for summary judgment.

(c) Each Party shall bear its own attorneys' fees and costs of arbitration. The non-prevailing Party in the proceeding shall be ordered to pay, and shall have ultimate responsibility for, all of the arbitrator's fees and the fees of the AAA and the reasonable attorneys' fees, expert witness fees and costs of the prevailing Party, and all such fees and costs shall be included in the judgment to be entered against the non-prevailing Party.

20. Force Majeure. The Manager and ThaiCo will be excused from the performance of their respective obligations under this Agreement to the extent that such performance is prevented by Force Majeure (as defined below) and the Manager and/or ThaiCo (respectively) promptly provides notice of the prevention to ThaiCo or the Manager as the case may be. Such excuse will be continued so long as the condition constituting Force Majeure continues and the Manager or ThaiCo (as the case may be) takes reasonable efforts to remove the condition. For purposes of this Agreement, "Force Majeure" will include conditions beyond the control of the Parties, including an act of God, acts of terrorism, voluntary or involuntary compliance with any regulation, Law or order of any government and any amendment thereof, war, civil commotion, labor strike or lock-out, epidemic, failure or default of public utilities or common carriers, destruction of production facilities or materials by fire, earthquake, storm, like catastrophe or any cause not contributable to the direct action of Manager or ThaiCo as the case may be; the Parties agree that "Force Majeure" shall specifically not include the Manager's inability to fund or pay any of the costs and expenses of operating the Cannabis Business facility or the Cannabis Business, or inability to pay ThaiCo's Taxes.

21. Amendment and Modification; Waiver. This Agreement may only be amended, modified, or supplemented by an agreement in writing signed by each Party hereto. No waiver by either Party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the Party so waiving. No waiver by either Party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.

22. Severability. If any term or provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

23. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns. ThaiCo may not assign its rights or obligations hereunder without the prior written consent of the Manager, and the Manager may not assign the Manager's rights and obligations hereunder without the prior written consent of ThaiCo, in each case which consent shall not be unreasonably withheld or delayed;

provided, however, that the Manager may, without the prior written consent ThaiCo, assign all or any portion of the Manager's rights under this Agreement to an affiliate. No assignment shall relieve the assigning party of any of such party's obligations hereunder.

24. No Third-Party Beneficiaries. Except as provided in Section 14 with respect to Indemnitees, this Agreement is for the sole benefit of the Parties and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other individual or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

25. Entire Agreement. This Agreement contains all of the terms and conditions agreed upon by the Parties hereto and this Agreement supersedes all other agreements oral or otherwise regarding the subject matter hereof.

26. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[REMAINDER OF PAGE BLANK, SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

ThaiCo:

SALUS BIOCEUTICAL (THAILAND) CO., LTD.

By: 

Name: Mr. W. Scott Boyes
Title: Authorized Director

MANAGER:

2761780 ONTARIO INC.

By: 

Name: Mr. Jeremy Budd
Title: Director

EXHIBIT A – MANAGEMENT FEE AND PROFESSIONAL FEE

As consideration for the Services provided by Manager, Manager shall receive (a) at least ninety percent (90%) of “Net Income” (as such term is defined below) business to be paid in the form of a “Management Fee” plus (b) if Manager so elects pursuant to Section 8A, the amount of any ThaiCo Tax Overpayment. The Management Fee shall be paid to Manager on the first business day of each calendar month, and the ThaiCo Tax Overpayment shall be paid to Manager (if it so elects) at the time specified in Section 8A. The Management Fee shall exclude all kinds of withholding taxes applicable to the Management Fee.

As used in this Agreement the term “Net Income” shall mean gross revenues from ThaiCo’s business and operations, (a) less (i) all payments made towards the ThaiCo Taxes, (ii) a five percent (5.0%) Professional Fee payable monthly to Manager to compensate for accounting, executive management, and governance functions which will be provided by Manager, and (iii) all operating expenses and all other sums to be paid by Manager under this Agreement, including costs of goods and Manager’s ten percent (10%) handling charge, base rent and other sums due under the Lease, interest, sales taxes and applications fees, and related fees associated with the operations of the Cannabis Business facility and the Cannabis Business, (b) plus, if Manager so elects pursuant to Section 8A, the amount of any ThaiCo Tax Overpayment.

In consideration of any additional services provided to ThaiCo not defined within this Agreement, Manager shall be entitled to receive additional reasonable compensation agree upon by the parties hereto.

In the event ThaiCo wishes to audit quarterly financial statements prepared by Manager pursuant to Section 8(b), it may at proceed at its own expense by engaging a third-party accounting firm. Any such audit shall require reasonable written notice by ThaiCo to Manager and, to the extent a physical audit is required, shall be conducted during normal business hours and in a manner that will not disrupt the operations of ThaiCo.

**THIS IS EXHIBIT "O" REFERRED TO IN THE
AFFIDAVIT OF JEREMY BLUMER SWORN
THE 25TH DAY OF JULY, 2022**

A handwritten signature in black ink, appearing to be 'TG' with a long horizontal stroke extending to the right.

THOMAS GRAY
A Commissioner for taking affidavits, etc.

South African Health Products Regulatory Authority



Licence number: 0000000023MC – v1

LICENCE TO CULTIVATE CANNABIS FOR PURPOSES OF PRODUCING SCHEDULED SUBSTANCES

In terms of section 22C(1)(b) of the Medicines and Related Substances Act, 1965

This licence is granted to:

Licence Holder
First Growth Holdings (Pty) Ltd
Backsberg Estate Cellars, Sonop Farm, Klapsmuts Simondium Road, Simondium, Paarl, 7624

On the following terms and conditions:

The licence holder and the persons described and named in Annexure 1 of the licence shall at all times ensure that the cultivation and control of cannabis cultivated for purposes of producing scheduled substances complies with relevant provisions of the Medicines and Related Substances Act, 1965, the regulations published in terms of the Act and all relevant SAHPRA Guidelines.

This facility is authorised to perform the cultivation of cannabis for producing scheduled substances as depicted in Annexure 1 to this licence.

DocuSigned by:

Boitumelo Semete-Makoketlela

01 March 2021

E3E8B27730A48A

CHIEF EXECUTIVE OFFICER

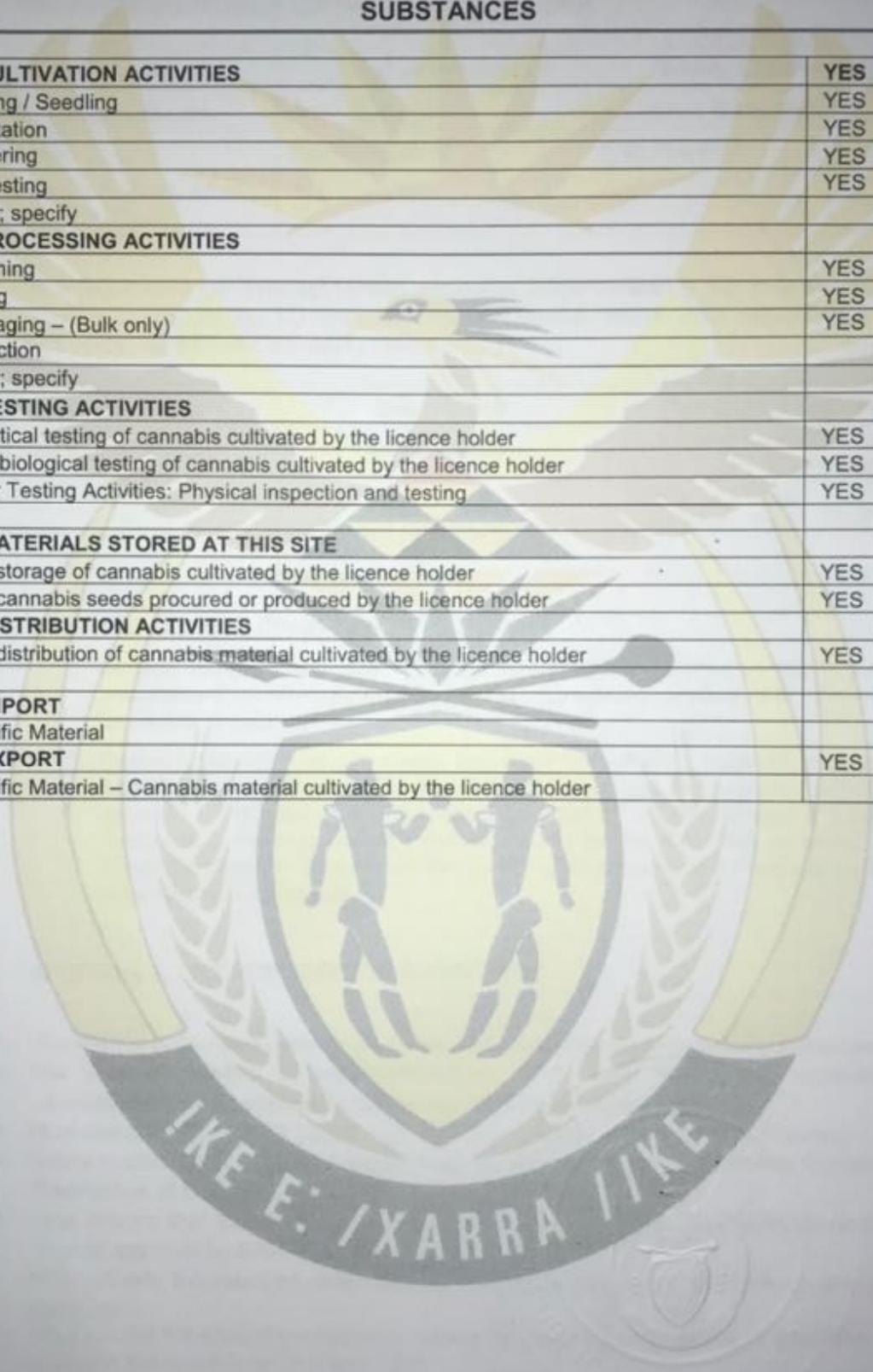
ISSUE DATE: 23 February 2021

EXPIRY DATE: 23 February 2026



AUTHORISED CULTIVATION OF CANNABIS FOR PRODUCING SCHEDULED SUBSTANCES

1. CULTIVATION ACTIVITIES	YES	NO
Cloning / Seedling	YES	
Vegetation	YES	
Flowering	YES	
Harvesting	YES	
Other; specify		NO
2. PROCESSING ACTIVITIES		
Trimming	YES	
Drying	YES	
Packaging – (Bulk only)	YES	
Extraction		NO
Other; specify		NO
3. TESTING ACTIVITIES		
Analytical testing of cannabis cultivated by the licence holder	YES	
Microbiological testing of cannabis cultivated by the licence holder	YES	
Other Testing Activities: Physical inspection and testing	YES	
4. MATERIALS STORED AT THIS SITE		
Bulk storage of cannabis cultivated by the licence holder	YES	
Bulk cannabis seeds procured or produced by the licence holder	YES	
5. DISTRIBUTION ACTIVITIES		
Bulk distribution of cannabis material cultivated by the licence holder	YES	
6. IMPORT		NO
Specific Material		
7. EXPORT	YES	
Specific Material – Cannabis material cultivated by the licence holder		



000000023MC - v1

8. PARTICULARS OF THE PERSONNEL RESPONSIBLE FOR OPERATION ON THE PREMISES ON BEHALF OF THE LICENCE HOLDER

Responsible Pharmacist	Head of Production	Quality Control Person
Brenda Catherine Jacobs	Carel Malherbe	Leanne Blumenthal
B. Pharm BSc Biochem & Postgraduate Diploma Public Health	Dip Horticulture	B. Pharm

9. PARTICULARS OF THE NATURAL PERSON RESPONSIBLE TO THE MEDICINES CONTROL COUNCIL TO ENSURE COMPLIANCE WITH THE MEDICINES AND RELATED SUBSTANCES ACT, 1965

Responsible Person	Designation	Residential Address
Simon Back	Chief Executive Officer	Backsberg Estate Cellars, Sonop Farm, Klapsmuts Simondium Road, Simondium, Paarl, 7624
-		

10. GENERAL LICENCE CONDITIONS

1. Section 22A(9)(i) and 22A(11)(a) permits shall be required to export any (-)-transdelta-9-tetrahydrocannabinol (THC) containing product that qualifies as Schedule 6; and
2. Cannabinoid-containing products for export for which a registration certificate has not been obtained from the SAHPRA may not be exported without the relevant "Certificate of a Pharmaceutical Product" or alternatively a "Licensing Status of a Pharmaceutical Product" issued by the SAHPRA in terms of the WHO Certification Scheme on the Quality of Pharmaceutical Products moving in International Commerce.

11. ADDITIONAL LICENCE SPECIFIC CONDITIONS

- The licence authorises cultivation of cannabis for producing scheduled substances.
- The licence prohibits further manipulation of the dry flower (e.g. extraction of cannabinoids) and subsequent production of finished product
- Must comply with cGACP (Good Agricultural and Collection Practice) principles;
- Waste material and rejected material must be destructed as per SAHPRA Guideline for Destruction of Schedule 6 material.
- Must ensure that there will be no critical changes to the site and cultivation area size prior to approval by SAHPRA;
- Must provide the required production reconciliation reports to SAHPRA on a quarterly basis; and
- Must submit the annual reconciliation report on the production yields to SAHPRA which contains the substance THC and CBD.

**THIS IS EXHIBIT "P" REFERRED TO IN THE
AFFIDAVIT OF JEREMY BLUMER SWORN
THE 25TH DAY OF JULY, 2022**

A handwritten signature in black ink, appearing to be 'TG' with a long horizontal stroke extending to the right.

THOMAS GRAY
A Commissioner for taking affidavits, etc.

CERTIFICATE OF GMP COMPLIANCE OF A MANUFACTURER^{1,2}

Part 1

Issued following an inspection in accordance with Art. 111(5) of Directive 2001/83/EC

The Medicines Authority of Malta confirms the following:

The manufacturer: **Alphafarma Operations Ltd.**

Site address: **Factory MRH 012B, Mriehel Industrial Estate, Birkirkara BKR 3000, Malta.**

Other: is a manufacturer of Cannabis for Medicinal purposes and has been inspected in accordance with Art 4 92d) of the Production of Cannabis for Medicinal and Research Purposes Act (Chapter 578 of the Laws of Malta).

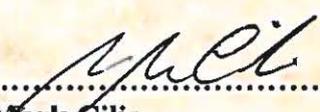
From the knowledge gained during inspection of this manufacturer, the latest of which was conducted on **1-3rd November 2021**, it is considered that it complies with the principles and guidelines of Good Manufacturing Practice laid down in Directive 2003/94/EC³.

This certificate reflects the status of the manufacturing site at the time of the inspection noted above and should not be relied upon to reflect the compliance status if more than three years have elapsed since the date of that inspection. However, this period of validity may be reduced or extended using regulatory risk management principles by an entry in the Restrictions or Clarifying remarks field.

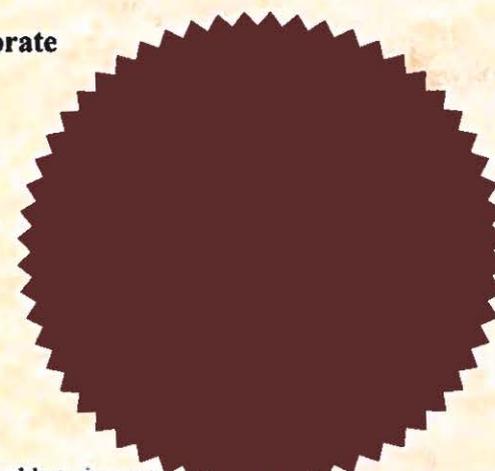
This certificate is valid only when presented with all pages and both Parts 1 and 2.

The authenticity of this certificate may be verified in EudraGMDP. If it does not appear, please contact the issuing authority.

14th December 2021



Dr Mark Cilia
Director Inspectorate and Enforcement Directorate
Medicines Authority
Tel: 00356 234 39 119
Fax: 00356 234 39 161



1 The certificate referred to in paragraph 111(5) of Directive 2001/83/EC, is also applicable to importers.
2 Guidance on the interpretation of this template can be found in the Help menu of EudraGMDP database.
3 These requirements fulfil the GMP recommendations of WHO.

Part 2

Human Medicinal Products	
1 MANUFACTURING OPERATIONS – MEDICINAL PRODUCTS	
1.2	Non-sterile products <i>1.2.2 Batch certification</i>
1.4	Other products or processing activity 1.4.1 Manufacture of: 1.4.1.1 Herbal products
1.5	Packaging <i>1.5.1 Primary packing</i> 1.5.1.8 Other solid dosage forms: dried cannabis flowers (inflorescence)

Any restrictions or clarifying remarks related to the scope of this certificate:

This certificate is limited in scope to finished product, “Dried Cannabis Flower in jars” for medicinal use. Therefore, medicinal products are not within the scope of this certificate.

1.2.2 is limited to the certification of dried cannabis flowers batches, primary packed on-site.

1.5.1.8 includes dried cannabis flowers dispensed and primary packed.

Quality control testing (chemical/physical, microbiological: non-sterility) of the finished product, QC testing of the stability testing, moreover storage of the stability samples are contracted out.

14th December 2021 

Dr Mark Cilia
Director Inspectorate and Enforcement Directorate
Medicines Authority
Tel: 00356 234 39 119
Fax: 00356 234 39 161

¹ The signature, date and contact details should appear on each page of the certificate

**THIS IS EXHIBIT "Q" REFERRED TO IN THE
AFFIDAVIT OF JEREMY BLUMER SWORN
THE 25TH DAY OF JULY, 2022**

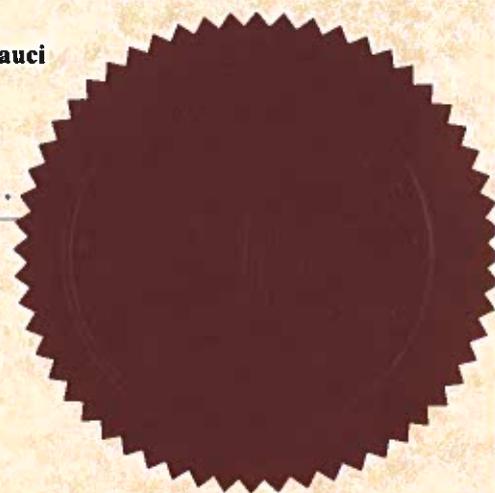
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THOMAS GRAY
A Commissioner for taking affidavits, etc.



Licence for the production of cannabis for medicinal and research purposes.

- 1) Licence number **ASID 006/2020**
- 2) Name of licence holder and registration number **Alphafarma Operations Limited
C90901**
- 3) Legally registered address of licence holder **Factory MRH 012B
Mriehel Industrial Estate,
Birkirkara
BKR3000**
- 4) Address of manufacturing site **Factory MRH 012B
Mriehel Industrial Estate,
Birkirkara
BKR3000**
- 5) Scope of licence **ANNEX 1**
- 6) Legal basis of licence **CAP 578 Production of Cannabis for Medicinal and
Research Purposes Act and subsidiary legislation.**
- 7) Name of Responsible officer granting the licence **Prof Charmaine Gauci**
- 8) Signature 
- 9) Date of issue **18/04/2022**
- 10) Validity: **This licence is valid for three years from date of issue**



- 11) Annexes attached:
- Annex 1 – Scope of licence
 - Annex 2 – Address of Contract Laboratory
 - Annex 3 - Names of Qualified Persons
 - Annex 4 - Names of Responsible Persons
 - Annex 5 - Date of inspections on which authorisation is granted
 - Annex 6 – Products

Scope of Authorisation

ANNEX 1

Production of Cannabis for Medicinal and Research Purposes

Name and address of manufacturing site: **Alphafarma Operations Limited**
Factory MRH 012B
Mriehel Industrial Estate,
Birkirkara
BKR3000

Authorised Operations

Sourcing of dried cannabis flowers (inflorescence) for dispensing, primary packaging, and batch release.

MANUFACTURING ACTIVITIES

6.7 Packaging

6.7.1 Primary packing of:

6.7.1.11 Other: dried cannabis flowers (inflorescence)

6.8 Batch Certification

6.8.1 Products to be batch released specified in Annex 6

ANNEX 2

Address of Contract Laboratory

**ASG Pharma Ltd
ADC Building, Level -1 and 3
Exporters Street, Zone 1
Central Business District
Birkirkara, CBD 1040, Malta**

ANNEX 3

Names of Qualified Persons

Karl Bartolo

Stephanie Borg Bezzina

ANNEX 4

Names of Responsible Persons

Name of person responsible for quality control

Giulia Vassallo Eminyan

Name of person responsible for production

Ryan Barbara

ANNEX 5

Date of inspections on which authorisation is granted

EU-GMP **01/11/2021 – 03/11/2021**

Facility/Physical Security **24/08/2021**

ANNEX 6

Products

List of products manufactured. The products have not been assessed for safety, quality and efficacy intended for a Marketing Authorisation.

Salus Biopharma Medical Cannabis Flower, Strain: EMT-2, THC 20%, CBD <1%, 5g
Salus Biopharma, Medical Cannabis Flower, Strain: EMT-2, THC 20%, CBD <1%, 10g

Conditions of Licence for the Production of Cannabis for Medicinal and Research Purposes

The Licence Holder:

1. shall not, without the approval of the Licensing Authority, manufacture any cannabis-based product which has not been specified in this licence.
2. shall provide and maintain such premises, equipment, facilities and staff as are necessary for the carrying out, in accordance with this licence, of such stages of the manufacture of the cannabis-based products and shall not carry out any such manufacture except at the premises specified in this licence.
3. shall provide and maintain such facilities and resources for the handling, storage and distribution of the cannabis-based products listed under this licence, as are necessary to avoid deterioration of such products and shall not use for such purposes premises other than those specified in this licence.
4. shall conduct manufacturing operations in such a way as to ensure that the cannabis-based products conform to the applicable standards, the specifications to which they may be manufactured and the Regulatory Authority's General Guidelines on the Production of Cannabis for Medicinal and Research Purposes, as amended.
5. shall either -
 - a. provide and maintain such premises, equipment, facilities and staff as are necessary for carrying out testing of cannabis-based products manufactured in accordance with the requirements of good manufacturing practice and as may be specified by the Licensing Authority, or
 - b. make written arrangements with an entity for such tests to be carried out by that entity on behalf of the licence holder
6. shall notify the Regulatory Authority in writing and seek the relative approvals before making any material alteration in the premises or equipment used under this licence, or in the operations in which they are used, and of any proposed changes in any personnel named in this licence.
7. shall have at its disposal the services of a qualified person who is considered eligible by the Medicines Authority and named on this licence to carry out the functions specified in sub-paragraph 1) below.
 - 1) the functions to be carried out by the qualified person are to be as follows -
 - a) to ensure that every batch of cannabis-based product to which this licence relates has been manufactured and checked in compliance with –
 - i. the provisions of this manufacturer's licence
 - ii. national legislation and regulatory guidelines, and international obligations
 - iii. the laws in force in the importing country in respect of such product
 - b) to certify in a register, or other equivalent document appropriate for this purpose, whether each production batch of the cannabis-based product(s) to which this licence relates satisfies the requirements set out in sub paragraph (a) above and to ensure that such register is regularly maintained and in particular that the appropriate

entries in such register or other document are made as soon as each batch has been manufactured.

- 2) where, after giving the licence holder and the person acting as the qualified person the opportunity of making representations (either orally or in writing), the Licensing Authority is of the opinion that the person so acting is failing to carry out the functions specified in sub-paragraph 1) above and after having notified the licence holder accordingly in writing, the licence holder shall not permit such person to act as a qualified person until such time as notification in question has not been withdrawn by the Licensing Authority.
- 3) the Licensing Authority may require the licence holder to temporarily suspend the person acting as such qualified person upon the commencement of administrative or disciplinary proceedings against him for failure to fulfil his functions in accordance with sub-paragraph 1) above and the licence holder shall not permit that person to act as the qualified person pending the determination of such proceedings.
8. shall at all times provide and maintain such staff, premises and facilities as will enable the qualified person to carry out functions as set out in Article 7(1).
9. shall keep readily available for inspection by an officer responsible for the enforcement or execution of these conditions, durable records of the details of manufacture of each batch of every cannabis-based product being manufactured under this licence, of the tests carried out thereon, including any register or other document referred to in paragraph 7(1)(b) above, in such form that the records will be easy identifiable from the number of the batch as shown on each container in which the cannabis-based product is sold, supplied or exported and he shall permit such officer to take copies or make extracts from such records. Such records shall be retained for not less than five (5) years from the date of manufacture or for a period of one (1) year following the labelled expiry date of the cannabis-based product, whichever is the longer period.
10. shall keep such documents as will facilitate the withdrawal or recall from sale, supply or exportation of any cannabis-based product to which this licence relates. Such documents shall be made available for inspection by an officer responsible for the enforcement of execution of these conditions.
11. shall keep an adequate sample of each batch and of each active constituent (as applicable) used in the manufacture of such cannabis product to which this licence relates for a period of one (1) year following the labelled expiry date of the product, and shall furnish on request a sufficient sample of each batch for the purpose of any test, examination or analysis which may be required by the Licensing Authority.
12. shall, where he has been informed by the Licensing Authority that any part of a batch to which this licence relates been found not in conformity with the specifications of the relevant product, if so directed by the Licensing Authority, immediately withhold the remainder of that batch from sale, supply or exportation and, insofar as may be practicable, immediately recall all supplies already sold, supplied or exported from that batch.
13. shall, where he has been informed by the Licensing Authority that the cannabis-based product to which this licence relates has been found to give rise to unacceptable adverse reactions, if so directed by the Licensing Authority, immediately withhold that product from sale, supply or exportation and, insofar as may be practicable, immediately recall all supplies of such product already sold, supplied or exported.
14. shall ensure that any tests for determining conformity with the standards and specifications applicable to the cannabis-based products to which this licence relates,

- shall be applied to samples taken from the cannabis-based product after all manufacturing processes have been completed, and/or at such earlier stage(s) in the manufacture as may be required or approved by the Licensing Authority.
15. shall not dispose of any cannabis product to which this licence relates except in accordance with applicable national legislation.
 16. shall supply such information as may be requested by the Licensing Authority for the purposes of these conditions about the cannabis-based product(s) currently being manufactured and about the operations being carried out in relation to such manufacture.
 17. shall for the purpose of enabling the Licensing Authority to ascertain whether there are any grounds for suspending, revoking or varying this licence granted under the Production of Cannabis for Medicinal and Research Purposes Act (Chapter 578 of the Laws of Malta) and its subsidiary legislation, permit and provide all necessary facilities to enable any officer responsible for the enforcement or execution of the said Act to carry out such inspections, to take samples or to take copies of any documents in relation to any business carried on by the licence holder, for the purpose of verifying any statement contained in the application for this licence.
 18. shall comply with the principles and guidelines of EU good manufacturing practice for medicinal products for human use laid down in Commission Directive 2003/94/EC as amended and in Eudralex Volume 4.
 19. shall avoid disproportionality in availability, accessibility and affordability of the manufactured cannabis-based products for patients in Malta compared to practices in the international market.
 20. shall notify the Regulatory Authority of any amendments to the application and supplementary documentation, including security screening and due diligence information identified in the Regulatory Authority's Declaration Form for Due Diligence Procedures, submitted during the review process for the granting of this licence, through the relevant variation procedure.

The Licence Holder and Qualified Person:

21. shall comply with the regulations and guidelines as stipulated in the MMA General Guidelines on the Production of Cannabis for Medicinal and Research Purposes as amended, the Production of Cannabis for Medicinal and Research Purposes Act (Chapter 578 of the Laws of Malta) and its subsidiary legislation.
22. shall apply the EU Good Distribution Practice guidelines when distributing the product batches which they manufacture or import.
23. shall ensure that any entity which is providing him/her with a product or a service is a legally operating entity in line with the relevant legislation in the country where it is established.

**THIS IS EXHIBIT "R" REFERRED TO IN THE
AFFIDAVIT OF JEREMY BLUMER SWORN
THE 25TH DAY OF JULY, 2022**

A handwritten signature in black ink, appearing to be 'TG' with a long horizontal stroke extending to the right.

THOMAS GRAY
A Commissioner for taking affidavits, etc.

**YONGE NORTON CENTRE
5255 YONGE STREET, TORONTO, ONTARIO**

**L E A S E
(O f f i c e)**

**INVESTORS GROUP TRUST CO. LTD. AS TRUSTEE FOR
INVESTORS REAL PROPERTY FUND**

Landlord

– and –

THE CANADIAN BIOCEUTICAL CORPORATION

Tenant

SUITE 701

OFFICE LEASE

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OFFICE LEASE

DATED March 24, 2017

BETWEEN

**INVESTORS GROUP TRUST CO. LTD. AS TRUSTEE FOR
INVESTORS REAL PROPERTY FUND**

("Landlord")

- and -

THE CANADIAN BIOCEUTICAL CORPORATION

("Tenant")

Term Sheet of Principal Lease Terms

- A. **Intentionally deleted.**
- B. **Floor Area of the Leased Premises:** Approximately two thousand, eight hundred and nineteen (2,819) square feet, subject to Section 2.2.
- C. **Principal Components of Rent:**

- 1. **Minimum Rent:** The Tenant shall pay Minimum Rent in respect of each Year of the Term referred to in the table below, in the amount per square foot per annum set out in the table opposite such period. This amount corresponds to annual and monthly payments during each such period in the amounts set out in the table, based upon a Floor Area as set out in paragraph B of this Term Sheet and subject to adjustment to reflect any adjustment of the Floor Area of the Leased Premises under Section 2.2.

Year of the Term	Minimum Rent Per Square Foot Per Annum	Monthly Minimum Rent	Annual Minimum Rent
Years 1 - 3	\$15.00	\$3,523.75	\$42,285.00

- 2. **Estimate of Tenant's Operating Costs payment for the calendar year ending December 31, 2017:** Eleven Dollars and Thirteen Cents (\$11.13) per square foot of the Floor Area of the Leased Premises.
- 3. **Estimate of Tenant's Taxes payment for the calendar year ending December 31, 2017:** Seven Dollars and Thirty-Six Cents (\$7.36) per square foot of the Floor Area of the Leased Premises.
- 4. **Estimate of Tenant's Hydro payment for the calendar year ending December 31, 2017:** One Dollar and Seventy Cents (\$1.70) per square foot of the Floor Area of the Leased Premises.

The estimates set out in sub-paragraphs 2, 3 and 4 above are bona fide estimates made by the Landlord based on information available to it at this time, and such estimates are not intended to be binding on the Landlord nor limit the Tenant's obligations for such costs hereunder.

- D. **Building:** building bearing a civic address of 5255 Yonge Street, Toronto, Ontario.
- E. **Commencement Date:** August 1, 2017

- F. Permitted Use:** Business offices in connection with the business being carried on by The Canadian Bioceutical Corporation as of the date of this Lease.
- G. Leased Premises:** Suite 701, situated on the 7th floor of the Building. The Leased Premises are cross-hatched in black on Schedule "B" annexed hereto.
- H. Intentionally deleted.**
- I. Schedule of Special Lease Provisions:** Schedule "C" to this Lease sets out certain special provisions applicable to the Lease of the Leased Premises by the Tenant.
- J. Term:** Three (3) years commencing on the Commencement Date and expiring on July 31, 2020.

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THIS INDENTURE made March 24, 2017.

BETWEEN:

**INVESTORS GROUP TRUST CO. LTD. AS TRUSTEE FOR
INVESTORS REAL PROPERTY FUND**

(hereinafter called the "Landlord")

OF THE FIRST PART

AND:

THE CANADIAN BIOCEUTICAL CORPORATION

(hereinafter called the "Tenant")

OF THE SECOND PART

ARTICLE 1

DEFINITIONS

The following definitions apply in this Lease.

1.1 **"Additional Rent"** means all amounts to be paid by the Tenant under this Lease save and except for Minimum Rent.

1.2 **"Building"** means the building or buildings located at the address set out on the front page of this Lease located on the Lands described in Schedule "A" hereto, as shown on the floor plan attached hereto as Schedule "B", including the roof thereof, as such Building may be altered, expanded or reduced from time to time and all improvements from time to time made to the Building.

1.3 **"Common Areas and Facilities"** means all that part of the Building and the Lands which is not leased or designated by the Landlord to be leased to tenants of the Building, including without limitation, all automobile parking areas, driveways, entrances and exits thereto, the truckway or ways and loading docks, pedestrian sidewalks, landscaped areas, exterior stairways, equipment, apparatus, general signs, easements, and common access drives, together with all other areas and facilities which are provided or designated from time to time by the Landlord for the use by or benefit of the Tenant, its employees, customers and other invitees in common with others entitled to the use or benefit of such areas and facilities in the manner and for the purpose permitted by this Lease.

1.4 **"Environmental Laws"** means the statutes, policies, directives, regulations, orders, approvals and other legal requirements of any governmental authority having jurisdiction over the Landlord, the Tenant, the Building or the Leased Premises which impose any obligations relating to the protection, conservation or restoration of the natural environment.

1.5 **"Floor Area of the Leased Premises"** means the floor area expressed in square feet of the Leased Premises as certified from time to time by the Landlord's architect or surveyor calculated by measuring, in accordance with the definition of "Rentable Area" pursuant to the Building Owners and Managers Association (BOMA) International Measurement Standards for Office Buildings, referred to as ANSI/BOMA Z65.1-1996 standard of measurement, from the exterior surfaces of the exterior walls and of all walls adjoining the Common Areas and Facilities, from the centre line of party or demising walls separating two or more interior leasable premises from other areas in the Building where no wall exists, all without deduction or exclusion for any space occupied by or used for columns, stairs, elevators, escalators or other interior construction or equipment or for any storefront or doorway areas recessed from the lease line.

1.6 **"Floor Area of the Building"** means the total rentable area expressed in square feet as certified from time to time by the Landlord's architect or surveyor, of all leasable premises set

aside by the Landlord for leasing to tenants of the Building, whether leased or not, but excluding the total rentable floor area of storage areas.

1.7 “**Hazardous Substance**” shall include without limitation, any solid, liquid, smoke, waste, odour, heat, vibration, radiation or combination thereof which is deemed, classed or found to affect the nature, physical, chemical or biological quality of the environment or which is or is likely to be injurious to the health or safety of persons or which is injurious or damaging to property, plant or animal life, or which interferes with or is likely to interfere with the comfort, livelihood or enjoyment of life by a person, or which is declared to be hazardous or toxic under any law or regulation now or hereafter enacted or promulgated by any governmental authority having jurisdiction over the Landlord, the Tenant, the Building or the Leased Premises, and without limiting the generality of the foregoing shall include any dangerous, noxious, toxic, flammable or explosive substance, radioactive material, asbestos or PCBs.

1.8 “**Insurable Hazards**” means fire and other perils for which insurance is available and which a reasonably prudent Landlord would obtain in similar circumstances.

1.9 “**Landlord**” means the Owner(s), its respective predecessors, successors and assigns.

1.10 “**Lands**” means the lands legally described in Schedule “A” attached hereto.

1.11 “**Lease Year**” means a twelve (12) month period commencing with the first day of January in one calendar year and ending on the last day of December in that calendar year; provided that the first Lease Year shall commence on the Commencement Date of the Term and end on the last day of December of the calendar year of the Commencement date of the Term and the last Lease Year shall end on the last day of the Term of this Lease and commence on the first day of January preceding that date. From time to time by written notice delivered to the Tenant, the Landlord may specify an annual date upon which each subsequent Lease Year is to commence, in which event, the then current Lease Year will terminate on the day preceding the day so specified and all appropriate adjustments will be made for any lease year which is more or less than twelve (12) calendar months.

1.12 “**Leasehold Improvements**” have the meaning ascribed to them in Section 17.2(a) hereof.

1.13 “**Leased Premises**” means the leased premises described in Section 2.1.

1.14 “**Management Company**” means a company or other entity, if any, retained by the Landlord from time to time to operate or manage the Building. In sections that contain a release or other exculpatory provision or an indemnity in favour of the Management Company, “Management Company” includes the officers, directors, employees and agents of the Management Company.

1.15 “**Mortgage**” means any mortgage or charge (including a deed of trust and mortgage securing bonds and all indentures supplemental thereto) granted by the Landlord over all or any portion of the Lands.

1.16 “**Mortgagee**” means any mortgagee, lender or trustee for bondholders named in a Mortgage.

1.17 “**Normal Business Hours**” means 8:00 a.m. to 6:00 p.m., Monday through Friday (but excluding Saturdays, Sundays and holidays) as such hours may be varied by the Landlord from time to time.

1.18 “**Operating Costs**” means the total of all expenses, costs, fees, rentals, disbursements and outlays of every nature and kind incurred, accrued, paid, payable or attributable, whether by or on behalf of the Landlord (without duplication) for owning, operating, maintaining, servicing, repairing, replacing, restoring, renewing, improving, equipping, insuring, cleaning, lighting, securing, policing, supervising, managing and administering the Building and the Lands or any portion thereof in each Lease Year, including, but not limited to those items listed below:

- (a) the cost of insuring the Building from time to time in such manner and form, with such companies and such coverage and in such amounts as the Landlord, acting reasonably, or the Mortgagee from time to time determines;

- (b) landscaping, cleaning, snow and ice removal, garbage and waste collecting and disposal;
- (c) lighting (including the replacement of, from time to time, either by way of relamping or otherwise, electrical lightbulbs, tubes and ballasts), utilities (including, without limitation, electricity, water, gas, steam and other fuel), and hookup, connection and service charges for any such utilities, loud speakers, signage, public address and musical broadcasting systems and any telephone and answering service facilities and systems used in or servicing the Building and the cost of electricity for any signs designated by the Landlord as part of the Building and the Common Areas and Facilities;
- (d) policing, securing, supervision and traffic control;
- (e) Taxes attributable to the Common Areas and Facilities;
- (f) business taxes assessed, levied and payable in respect of the Common Areas and Facilities;
- (g) management office expenses of operation, and salaries of all personnel, including management and other supervisory personnel, employed to carry out the maintenance, repair, marketing and operation of the Building and the Common Areas and Facilities, including fringe benefits and contributions and premiums for unemployment and workers' compensation insurance, pension plan contributions and similar premiums and contributions and severance pay or indemnity, or, where the management office and personnel serve more than one Building, an allocated share of those expenses, salaries and contributions;
- (h) the cost of any equipment and signs and the cost of building supplies used by the Landlord in the maintenance, repair and operation of the Building and the Common Areas and Facilities;
- (i) fees incurred in the preparation and auditing of written statements of Operating Costs;
- (j) all repairs and replacements to and maintenance and operation of the Building and the Common Areas and Facilities and the systems, facilities and equipment serving the Building and the Common Areas and Facilities, including, without limitation, heating, ventilating, air conditioning and electrical equipment and systems, and the roof, except for the cost of repairing or replacing any inherent structural defects or weaknesses;
- (k) depreciation or amortization over the useful life of capital costs and major repairs in accordance with accounting practices generally accepted in the real estate industry in Canada and interest on the undepreciated cost of all items in respect of which depreciation or amortization is included herein, including, without limitation depreciation or amortization:
 - (i) of the costs, including repair and replacement (minor, major and capital), of all maintenance, operating and cleaning equipment and master utility meters from the earlier of the date that the cost was incurred or the commencement of the Term; and
 - (ii) of the costs incurred for repairing or replacing (including capital and/or major repairs or replacements) all other fixtures, improvements, equipment and facilities serving or comprising the Building and the Common Areas and Facilities, including the roof,unless they are charged fully in the Lease Year in which they are incurred (in either case in accordance with accounting practices generally accepted in the real estate industry in Canada as reasonably determined by the Landlord);
- (l) amortization of the cost of the installation of capital improvement items which are primarily for the purposes of reducing or maintaining Operating Costs or which

may be required by governmental authority. Such costs shall be amortized over the useful life of the capital investment items, with the useful life and amortization schedule to be determined in accordance with accounting practices generally accepted in the real estate industry in Canada as reasonably determined by the Landlord, together with interest on the undepreciated or unamortized balance of such costs;

- (m) auditing, accounting, bookkeeping, legal and other professional and consulting fees and disbursements and all costs and expenses not otherwise expressly excluded in this Lease attributable to the maintenance, operation, management, replacement, supervision and administration of the Building;
- (n) rental charges for electrical, garbage and/or utility rooms and service or delivery corridors; and
- (o) administration and management fees consistent with industry standards.

In computing Operating Costs, if less than one hundred percent (100%) of the Floor Area of the Building is completed or occupied during any period for which a computation must be made, the amount of Operating Costs will be increased by the amount of the additional costs determined by the Landlord, that would have been incurred had one hundred percent (100%) of the Floor Area of the Building been completed or occupied during that period, provided that the foregoing shall not result in the amount the Tenant pays as its Proportionate Share of such Operating Costs being greater than it would be if the Building was fully completed and occupied.

1.19 “**Owner(s)**” means the owner(s) of the Building, from time to time, its respective successors and assigns.

1.20 “**Proportionate Share**” means a ratio the numerator of which is the Floor Area of the Leased Premises and the denominator of which is the Floor Area of the Building.

1.21 “**Rent**” means all amounts due from the Tenant, including without limitation, Minimum Rent and Additional Rent.

1.22 “**Schedules**” and “**Appendices**” means the following schedules and appendices which form a part of this Lease:

- Schedule “A” – Legal Description
- Schedule “B” – Floor Plan
- Schedule “C” – Special Provisions
- Schedule “D” – Rules and Regulations
- Schedule “E” – Option to Extend Term
- Schedule “F” – Restricted Uses
- Schedule “G” – Indemnity Agreement

1.23 “**Security Deposit**” means the sum paid by the Tenant to the Landlord under Section 3.3 herein.

1.24 “**Taxes**” means the aggregate of all real property, sewer, municipal and other property taxes and rates, whether general or special, of any nature whatsoever, including school and local improvement taxes and all business taxes, commercial concentration levy, corporation capital taxes and other capital taxes levied, charged, rated or assessed by any lawful authority against the Building and the Lands, or against the Landlord on account of its ownership thereof or deferred payments and interest or penalties and any other taxes, assessments or duties levied, rated, charged or assessed in substitution for or in addition to any of the foregoing, together with the costs of the Landlord in contesting or negotiating the same.

1.25 “**Term**” shall have the meaning ascribed to it in Section 2.3 hereof.

1.26 “**Year of the Term**” means each successive twelve (12) calendar month period (or part thereof) throughout the Term commencing on the Commencement Date.

ARTICLE 2

GRANT

Leased Premises

2.1 Witness that in consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Tenant to be observed and performed, the Landlord leases to the Tenant, and the Tenant leases from the Landlord, the Leased Premises that are designated as **Suite 701**, now or hereafter to be erected as part of the Building, which Leased Premises contain a Floor Area of **two thousand, eight hundred and nineteen (2,819)** square feet approximately. The boundaries and location of the Leased Premises are cross hatched in black on the floor plan of the Building which is marked as Schedule "B" attached hereto. In addition, the Tenant shall be entitled, for the benefit of the Leased Premises, to use in common with others entitled thereto the Common Areas and Facilities. The Tenant accepts the Leased Premises in "as is, where is" condition. The Tenant shall examine the Leased Premises before taking possession hereunder and such taking of possession shall be conclusive evidence as against the Tenant that at that time, the Leased Premises were in good order and satisfactory condition and any promises, representations and undertakings by or binding upon the Landlord with respect to any alteration, remodelling or decorating of or installation of fixtures in the Leased Premises were fully satisfied by the Landlord.

Measurement by Architect

2.2 The Floor Area of the Leased Premises and the Floor Area of the Building may be certified by the Landlord's architect or surveyor from time to time (which certificate shall be conclusive and binding on the Tenant), and if they are different from those specified in this Lease, then the Minimum Rent and the Tenant's Proportionate Share of Taxes and Operating Costs and all other amounts calculated and payable with reference to these areas shall be adjusted and payable in accordance with such certification.

Term

2.3 The Tenant will have and hold the Leased Premises for the term (the "**Term**") which, unless sooner terminated, is the period of **three (3) years**, commencing on **August 1, 2017** (the "**Commencement Date**"), and ending on **July 31, 2020**.

ARTICLE 3

RENT

Minimum Rent

- 3.1 (a) The Tenant will, throughout the Term, pay to the Landlord or to the Management Company as the Landlord directs, at its head office, or at any other place designated by the Landlord or the Management Company, as the case may be, in Canadian funds, without demand and without deduction, abatement, set-off or compensation, as Minimum Rent, the annual sum of **Forty-Two Thousand, Two Hundred and Eighty-Five Dollars (\$42,285.00)** payable in equal consecutive monthly instalments of **Three Thousand, Five Hundred and Twenty-Three Dollars and Seventy-Five Cents (\$3,523.75)** each in advance on the first day of each calendar month. The Minimum Rent is based on an annual rate of **Fifteen Dollars (\$15.00)** per square foot of the Floor Area of the Leased Premises.
- (b) If the Commencement Date is not the first day of a calendar month, the Tenant will pay, on the Commencement Date, Minimum Rent calculated on a per diem basis (based on three hundred and sixty-five (365) days) from the Commencement Date to the end of the month in which it occurs.

Additional Rent

3.2 The Tenant shall pay as Additional Rent any other money required to be paid by the Tenant under this Lease, whether or not the same be designated as Rent or whether the same be

paid to the Landlord or otherwise. If such amounts or charges are not paid at the time provided in this Lease, they shall nevertheless, if not paid when due, be collectible as rent with the next instalment of Minimum Rent thereafter falling due hereunder, but nothing herein contained shall be deemed to suspend or delay the payment of any amount of money or charge at the time the same becomes due and payable hereunder, or limit any other remedy of the Landlord.

Pre-paid Rent and Security Deposit

3.3 The Landlord holds a deposit equal to **Seventeen Thousand, Nine Hundred and Seventy-Four Dollars and Nineteen Cents (\$17,974.19)**, which shall be applied as follows:

- A. **Nine Thousand, Four Hundred and Seventy-Four Dollars and Nineteen Cents (\$9,474.19)** toward Rent and applicable taxes first becoming due and payable, and
- B. the balance of **Eight Thousand, Five Hundred Dollars (\$8,500.00)** to be held by the Landlord throughout the term of this Lease (and any renewal or extension thereof), without interest as security for the faithful performance by the Tenant of all the terms, covenants and conditions of this Lease. If the Tenant is in default hereunder, the Landlord at its option and without prejudice to any of its rights or remedies, may apply all or part of the Security Deposit to compensate it for any loss as a result of the default and the Tenant shall restore the Security Deposit. If the **Tenant complies with all of its obligations under this Lease, the Landlord shall refund the Security Deposit within a reasonable time** after the expiration or earlier termination of this Lease **or any renewal or extension thereof. In the event of any renewal or extension of the Term, the Tenant shall pay to the Landlord an amount necessary to increase the Security Deposit to an amount equal to the aggregate of one (1) month's Minimum Rent for the last year of the renewal or extension term plus one (1) month's estimated Additional Rent for the year in which the extension or renewal term occurs.**

Pre-Authorized Withdrawal

3.4 The Tenant shall make payment of the Minimum Rent and Additional Rent, **plus applicable taxes, required to be paid by the Tenant under this Lease**, in equal monthly instalments in advance **on the first day of each calendar month** or for such period as the Landlord may request by way of a **cheque or a series of post-dated cheques** to be delivered to the Landlord **prior to the first day of each calendar month. Concurrently with the execution and delivery of this Lease by the Tenant to the Landlord, and from time to time throughout the Term, the Tenant shall execute and deliver to the Landlord each cheque prior to the first day of each calendar month.**

Irregular Periods

3.5 All payments required to be made by the Tenant under this Lease, including, without limitation, Minimum Rent and Additional Rent shall be deemed to accrue from day to day and if for any reason it shall become necessary to calculate Rent for irregular periods of less than one year an appropriate pro-rata adjustment shall be made on a daily basis based on a period of three hundred and sixty-five (365) days, in order to compute payment for such irregular period.

ARTICLE 4

NET LEASE

Intent

4.1 The Tenant acknowledges and agrees that it is intended that this Lease shall be a completely carefree net Lease for the Landlord except as shall be otherwise provided in the specific provisions contained in this Lease, and that the Landlord shall not be responsible during the Term of this Lease for any costs, charges, expenses and outlays of any nature whatsoever arising from or relating to the Leased Premises, the Lands or the Building or the contents thereof, excepting only the Landlord's income tax in respect of income received from leasing the Leased Premises and other premises in the Building and the Tenant, except as shall be otherwise provided in the specific provisions contained in this Lease, shall pay all charges, impositions and

costs of every nature and kind relating to the Leased Premises, the Lands and the Building in the manner more particularly described in this Lease and the Tenant covenants with the Landlord accordingly.

ARTICLE 5

TAXES

Taxes

5.1 The Tenant shall pay to the Landlord, as Additional Rent, in addition to the Minimum Rent and other sums due hereunder, in the manner hereinafter specified, for each fiscal period adopted by the Landlord, from time to time, the Tenant's Proportionate Share of all Taxes. The tax year of any lawful authority commencing during any Lease Year shall be deemed to correspond to such Lease Year. The Landlord may estimate in advance for each Lease Year the Tenant's Proportionate Share of Taxes and the Tenant agrees to pay the Landlord such estimated amount in monthly instalments in advance during the Term. Within ninety (90) days after the expiry of each Lease Year, the Landlord shall provide the Tenant with a statement showing the actual amount of Taxes incurred for such Lease Year. If the Tenant shall have paid in excess of the Tenant's Proportionate Share of Taxes for such Lease Year, the excess shall, at the Landlord's option, be refunded by the Landlord within a reasonable period of time or be credited on account of Rent next falling due. If the amount paid by the Tenant is less than the Tenant's Proportionate Share of Taxes, the Tenant agrees to pay such deficiency to the Landlord on demand. The Landlord may revise its statement showing the actual amount of Taxes incurred for such Lease Year up to one year thereafter and the Tenant shall pay such revised amount forthwith on demand notwithstanding any termination of this Lease or expiry of the Term. The Tenant shall not be entitled to seek a review of reimbursement of any Proportionate Share of Taxes paid by the Tenant after expiry of twenty-four (24) months from receipt of Landlord's statement of actual Taxes in such Lease Year.

Separate Tax Assessments

5.2 In the event that there is a separate assessment for the realty taxes made against the Leased Premises, the Tenant agrees to pay all such taxes attributable to the Leased Premises as a result of such separate assessment in the manner set out in Section 5.1 or directly to the taxing authority when due if required by the Landlord.

Taxes Payable by the Tenant

5.3 In each and every Year of the Term, the Tenant shall pay and discharge within twenty (20) days after same becomes due and payable, all taxes, rates, duties and assessments and other charges that may be levied, rated, charged or assessed against or in respect of all improvements, machinery, equipment and facilities of the Tenant on or in the Leased Premises, other than Taxes included in Section 5.1 and every tax and licence fee in respect of any and every business carried on therein or in respect of the use or occupancy thereof by the Tenant (and any and every sub-tenant or licensee), other than income taxes assessed upon the income of the Landlord (or such sub-tenant or licensee), whether such taxes, rates, duties, assessments and license fees are charged by any municipal, parliamentary, school or other body during the Term, against the Tenant or against the Landlord on account of the Tenant's use and occupancy of the Leased Premises and against payment of all loss, costs, charges and expenses occasioned by, or arising from any and all such taxes, rates, duties, assessments, license fees, and any and all taxes which may in the future be levied in lieu of such taxes; and any such loss, costs, charges, and expenses suffered by the Landlord may be collected by the Landlord as rent with all rights of distress and otherwise as reserved to the Landlord in respect of Rent in arrears. Any of the taxes, rates, duties or assessments referred to in this Section 5.3 which are levied or assessed against the Landlord, the Building or the Lands shall be paid by the Tenant to the Landlord in the manner provided in Section 5.1.

Goods and Services Tax

5.4 In the event any business transfer tax, value-added tax, multi-stage sales tax, sales tax, goods and services tax, harmonized sales tax, or any like tax is imposed on the Landlord by any

governmental authority on any Rent (whether fixed Minimum Rent or Additional Rent) payable by the Tenant under this Lease, the Tenant shall reimburse the Landlord for the amount of such tax forthwith upon demand (or at any time designated from time to time by the Landlord) as Additional Rent.

Evidence of Payment

5.5 The Tenant further covenants and agrees that upon request of the Landlord, the Tenant will promptly deliver to the Landlord for inspection, receipt for payment of all taxes, rates, duties, assessments, and other charges in respect of all improvements, equipment and facilities of the Tenant on or in the Leased Premises which were due and payable up to one (1) month prior to such request, and in any event will furnish to the Landlord evidence of payment satisfactory to the Landlord before the twenty-first (21st) day of January in each year covering payments for the preceding year.

ARTICLE 6

PARKING AND USE OF COMMON AREAS AND FACILITIES

Control of Common Areas and Facilities by the Landlord

6.1 All Common Areas and Facilities from time to time provided by the Landlord, shall at all times be subject to the exclusive control and management of the Landlord, and the Landlord shall have the right from time to time to establish, modify and enforce reasonable rules and regulations with respect to the Leased Premises and all Common Areas and Facilities.

Access

6.2 The Landlord for itself and its assigns hereby grants to the Tenant and its permitted assigns a free right of access in common with the Landlord and all other persons entitled to the like right over all of the areas designated by the Landlord from time to time as parking areas, roadways and walkways in the Building and on the Lands.

License to Park

6.3 **Subject to Section 6 of Schedule "C"**, the Landlord hereby grants to the Tenant the license, irrevocable unless the Tenant is in default hereunder, in common with other tenants of the Building, over all of the areas designated by the Landlord from time to time as parking lots for the purpose of parking automobiles thereon, (save for roadways, sidewalks, lanes, service areas and landscaped areas) and subject at all times to the rules and regulations described in Section 6.1 and Section 23.1.

ARTICLE 7

OPERATING COSTS

Tenant to Bear Pro Rata Share of Expense

7.1 In each Lease Year, the Tenant will pay to the Landlord, in addition to the Rent specified elsewhere in this Lease, as Additional Rent, the Tenant's Proportionate Share of Operating Costs.

Payment of Tenant's Proportionate Share

7.2 Operating Costs shall be estimated by the Landlord for such period as the Landlord may determine and the Tenant agrees to pay to the Landlord its Proportionate Share of such amounts in monthly instalments in advance during such period together with other Rent payments provided for in this Lease. Within ninety (90) days after the expiry of each Lease Year, the Landlord shall provide the Tenant with a statement showing the actual Operating Costs incurred for the Building and the Lands for such Lease Year. If the Tenant shall have paid in excess of the Tenant's Proportionate Share of Operating Costs for such Lease Year, the excess shall, at the Landlord's option, be refunded by the Landlord within ninety (90) days or as soon as is

reasonably possible or be credited on account of Rent next falling due. If the amount paid by the Tenant is less than the actual amount due, the Tenant agrees to pay such deficiency upon demand. The Landlord may revise its statement showing the actual Operating Costs incurred for such Lease Year for a period up to one year thereafter and the Tenant shall pay such revised amount forthwith on demand notwithstanding any termination of this Lease or expiry of the Term. The Tenant shall not be entitled to seek a review or reimbursement of any Operating Costs paid after the expiry of twenty-four (24) months from receipt of the Landlord's statement of actual Operating Costs incurred for the Building and Lands in such Lease Year.

ARTICLE 8

TENANT'S COVENANTS

Rent

8.1 The Tenant covenants to pay Minimum Rent and Additional Rent as herein provided without set-off or deduction, when due and payable. Any unpaid amounts of Rent shall bear interest from the due date thereof to the date of payment at a rate per annum of eighteen percent (18%). Nothing contained herein shall be construed so as to compel the Landlord to accept any payment of Rent in arrears should the Landlord elect to apply its remedies under the forfeiture or any other provision of this Lease in the event of default hereunder by the Tenant.

Relocation of Leased Premises

8.2 Notwithstanding anything contained herein to the contrary, the Landlord shall have the right at any time during the Term of this Lease, or any extensions or renewals thereof, upon one hundred and twenty (120) days' written notice (the "Notice of Relocation") to relocate the Tenant to other premises in the Building (the "Relocated Premises") and the following terms and conditions shall be applicable:

- (a) the Relocated Premises (which term shall mean the Leased Premises after relocation) shall contain approximately the same area as, or a greater area than, the Floor Area of the Leased Premises;
- (b) the Landlord shall provide, at its expense, Leasehold Improvements in the Relocated Premises equal to the standards of the Leasehold Improvements in the Leased Premises;
- (c) the Landlord shall pay for the reasonable direct moving costs (if any) from the Leased Premises to the Relocated Premises of the Tenant's trade fixtures and furnishings **and the actual, reasonable cost of installing computer cabling and telephone installation fees and wiring in the Relocated Premises, to the same extent as existed in the Leased Premises as of the date of the Notice of Relocation;** and
- (d) the Minimum Rent per square foot for the Relocated Premises shall be no greater than the Minimum Rent per square foot for the Leased Premises.

All other terms and conditions of this Lease shall apply, mutatis mutandis, to the Relocated Premises.

ARTICLE 9

USE OF PREMISES

Use of Premises

- 9.1 (a) The Tenant shall use the Leased Premises solely for the purpose of **business offices in connection with the business being carried on by The Canadian Biocetical Corporation as of the date of this Lease** and will not use, permit or suffer the Leased Premises or any part thereof to be used for any other business or purpose. In particular, but without limiting the generality of the foregoing, the

Tenant shall not use, permit or suffer the Leased Premises or any part thereof to be used for any other use not expressly allowed to the Tenant herein and for which the Landlord grants an exclusive or restrictive covenant in favour of any other tenants, occupants, or prospective tenant or occupants of any building (including the Building) located on the Lands from time to time. The Landlord has made no representation or warranty to the Tenant concerning any aspect of the Building or the Leased Premises and the Tenant is solely responsible for satisfying itself concerning the suitability of the Leased Premises for their intended use by the Tenant, the applicable zoning and use restriction by-laws, and availability of permits.

- (b) The Tenant will not perform any acts or carry on any practices which may injure the Building or the Lands or be a nuisance or a menace to the Landlord or to other tenants in the Building.
- (c) The Tenant will utilize the entire Leased Premises in the active and continuous conduct and operation of its business throughout the Term, and without limiting the generality of the foregoing, the Tenant will operate the Leased Premises in the active conduct of the Tenant's business during Normal Business Hours.
- (d) Should the Tenant be open for business hours that are earlier or later than Normal Business Hours ("Extra Hours"), and access to or use of the Common Areas and Facilities is required to facilitate the Extra Hours, the Tenant shall pay to the Landlord as Additional Rent, within thirty (30) days of invoicing, any expense **actually** incurred by the Landlord (including, without limitation, Operating Costs **but excluding HVAC services, which are dealt with in the following paragraph**) in consequence of the Tenant being open for Extra Hours, as apportioned by the Landlord, acting reasonably.

The normal operating hours for the Building's HVAC services provided to the Leased Premises shall be Monday through Friday from 8:00 AM to 6:00 PM (the "HVAC Hours"). The Tenant acknowledges and agrees that outside of such HVAC Hours, HVAC services in the Leased Premises are only available upon prior notice to the Landlord, and are subject to the Landlord's standard charge for after-hours HVAC service in the amount of Thirty-Five Dollars (\$35.00) plus applicable taxes thereon per hour, per floor adjusted annually based on actual utility prices.

- (e) The Tenant will not operate or use the Leased Premises for any other business or purpose except the use permitted under Section 9.1(a) hereof. Without limiting the generality of the foregoing, none of the following businesses or activities may be carried on in the Leased Premises:
 - (i) a store conducted principally or in part for the sale of second hand goods (except resale of trade ins), war surplus articles, insurance salvage stock or fire sale stock or the sale of merchandise damaged by fire except in the event of a fire taking place in the Leased Premises and then only for the sale of merchandise damaged by such fire during the period of thirty (30) days immediately after such store shall have opened following such fire;
 - (ii) any operation and any line of merchandise in which the Tenant is making a practice of fraudulent or deceptive advertising or selling procedures;
 - (iii) an auction other than a fine art antique auction;
 - (iv) a pawn shop;
 - (v) any other business which, because of the merchandise to be sold, or the merchandising methods likely to be used would tend to alter the character of the Building;
 - (vi) a call centre, telecommunications centre, place of instruction, consulate, or government office open to the public or other use that creates public traffic or noise levels in excess of the level of traffic or noise created by other

professional tenants in the Building or other use that does or could result in excessive demands being placed on the building systems or other Common Areas and Facilities;

- (vii) any of the uses, businesses, purposes or activities described in those exclusives or restrictions listed in Schedule "F".

ARTICLE 10

UTILITIES AND TELECOMMUNICATIONS SYSTEMS

Utility Charges and Meters

10.1 The Tenant shall be solely responsible for and shall promptly pay all charges for lighting, heating, ventilating and air conditioning the Leased Premises and all water, gas, electricity, telephone and other utilities used or consumed in the Leased Premises. If there are no separate meters for measuring the consumption of such utilities, the Tenant shall pay to the Landlord, in advance, by monthly instalments as Additional Rent, such amount as may be reasonably estimated by the Landlord or its Management Company from time to time as the cost of such utilities for the Leased Premises. In the event of any dispute between the Landlord and the Tenant as to the amount of such utility costs, the opinion of the Landlord or its Management Company shall be final and binding on the Landlord and the Tenant. In no event shall the Landlord be liable for, nor have any obligation with respect to, an interruption or failure in the supply of such utilities or services to the Leased Premises, whether supplied by the Landlord or others but shall take all reasonable steps to rectify any interruptions on the Common Areas and Facilities. In the event of any abnormal consumption of any utility on the Leased Premises due to the nature of the Tenant's business or the use of particular machinery, equipment or appliances, the Landlord shall have the right to require the Tenant to install a separate meter at the Tenant's expense. The Tenant shall advise the Landlord forthwith of any installations, appliances, machinery or equipment used by the Tenant which consume or are likely to consume large amounts of electricity, water or other utilities.

Telecommunications Systems

10.2 The Tenant may utilize a telecommunication service provider of its choice with Landlord's prior written consent, which terms of consent shall include, but not be limited to, the following:

- (a) The Tenant shall cause the service provider to execute and deliver to the Landlord the Landlord's standard form of license agreement which shall include a provision for the Landlord to receive compensation for the use of the space for the service provider's equipment and materials;
- (b) The Landlord shall incur no expense or liability whatsoever with respect to any aspect of the provision of telecommunication services, including without limitation, the cost of installation, service, materials, repairs, maintenance, interruption or loss of telecommunication service;
- (c) The Landlord must first reasonably determine that there is sufficient space in the risers, cable trays and chases of the Building for the installation of the service provider's equipment and materials;
- (d) The Tenant shall indemnify and hold harmless the Landlord for all losses, claims, demands, expenses, and judgments against the Landlord caused by or arising out of, either directly or indirectly, any acts or omissions by the service provider or the Tenant or those for whom they are responsible at law;
- (e) The Tenant shall incorporate in its agreement with its service provider a provision granting the Tenant the right to terminate the service provider agreement if required to do so by the Landlord and the Landlord shall have the right at any time from time to time during the Term to require the Tenant at its expense to exercise the termination right and to contract for telecommunication service with a different service provider; and

- (f) All telecommunication cables and wiring installed in the Leased Premises or Building by the Tenant (or on the Tenant's behalf) shall be properly tagged upon installation at both ends, including the Tenant's name and Suite number and if requested by the Landlord, the Tenant shall, at its expense prior to the expiration of the Term, remove all telecommunication cables and wiring installed by the Tenant (or on the Tenant's behalf) in the Leased Premises and Building.

ARTICLE 11

MAINTENANCE OF LEASED PREMISES

Maintenance by Tenant

- 11.1 (a) The Tenant shall at all times during the Term at its own cost and expense repair, maintain, keep in good order and repair, and make replacements to the Leased Premises and all equipment, fixtures and mechanical systems within or necessarily incidental to the Leased Premises including the heating, ventilating and air-conditioning equipment and any improvement now or hereafter made to the Leased Premises as a careful owner would do, and the Tenant covenants to perform such maintenance, to effect such repairs and replacements and to decorate at its own cost and expense as and when necessary or reasonably required so to do by the Landlord. Notwithstanding the foregoing, the Landlord may, at its option, give notice to the Tenant that the Landlord will make repairs and replacements to the heating, ventilating and air-conditioning equipment and in such instances, the Tenant shall pay to the Landlord as Additional Rent the cost of such repairs or replacements plus an administration fee equal to fifteen percent (15%) of such cost.
- (b) The Tenant shall promptly repair or make whole all damaged **interior** glass, plate glass, doors and windows in the Leased Premises unless such damage is caused by the Landlord or persons for whom the Landlord is in law responsible. **The Landlord shall promptly repair or make whole all damaged exterior glass and windows, the costs of which shall be included in Operating Costs, to the extent provided herein.**
- (c) The Tenant shall at all times keep the Leased Premises and, without limitation, the loading area and exterior surfaces of the Leased Premises in a neat, clean and sanitary condition and shall not allow any refuse or garbage, or pallets, cartons or like material resulting from deliveries, or loose or waste material to accumulate in or about the Leased Premises. All trash, rubbish, waste material and other garbage shall be kept at all times from the view of the general public, including patrons of the Building, and shall be disposed of by the Tenant on a regular basis, as determined by the Landlord but at the Tenant's sole expense. In the event the Tenant fails to clean in accordance with this Section 11.1(c) upon written notice from the Landlord so to do, the Landlord may clean the same and the cost thereof shall be paid by the Tenant to the Landlord as Additional Rent, upon demand.
- (d) The Tenant shall, without notice from the Landlord, at the expiration or sooner termination of the Term, peacefully surrender and yield up to the Landlord the Leased Premises in good and tenantable repair and in the condition required by this Lease.

Landlord's Approval

11.2 Before commencing any repairs, replacements, maintenance, alteration, decoration or improvements set out above, or elsewhere referred to in this Lease, the Tenant shall obtain the Landlord's written approval, which shall not be unreasonably withheld, and shall, if required by the Landlord to do so, submit plans and specifications therefor. Any repairs, replacements, maintenance, alterations, decorations or improvements so done by the Tenant shall be carried out in a good and workmanlike manner. The Tenant shall be responsible at its sole cost and expense for all permits, approvals and licenses from all applicable governmental authorities in connection

with such repairs, replacements, maintenance, alterations, decorations or improvements and shall provide evidence of same to the Landlord upon request.

Repair Where Tenant Is At Default

11.3 If the Tenant refuses or neglects to repair properly as required hereunder and to the reasonable satisfaction of the Landlord, the Landlord may make such repairs without liability to the Tenant (excepting the Landlord's negligence) for any loss or damage that may accrue to the Tenant's merchandise, fixtures, or other property or to the Tenant's business by reason thereof, and upon completion thereof, the Tenant shall pay the Landlord's actual reasonable costs in the circumstances plus fifteen (15%) percent of such costs for making such repairs, forthwith upon presentation of an invoice therefor.

Repair by Landlord

11.4 The Landlord shall be responsible only for structural repairs to the structural elements of the roof, foundations, sub-floor and outer support walls of the Building, normal wear and tear and damage by Insurable Hazards excepted.

Cost of Repair of Common Areas and Facilities Where Tenant at Fault

11.5 If the Building or the Common Area and Facilities, including without limiting the generality of the foregoing, the common loading areas, the exterior of the Leased Premises, including the front thereof and entrance thereto, the boilers, engines, pipes and other apparatus (or any of them) used for the purpose of heating, ventilating or air-conditioning the Building, or if the water pipes, drainage pipes, electric lighting or other equipment of the Building or the roof or outside walls of the Building get out of repair or become damaged or destroyed through the negligence, carelessness or misuse of the Tenant, its servants, agents, employees, contractors, lessees, licensees or concessionaires, or through it or them in any way stopping up, injuring or rendering inoperable the heating apparatus, water pipes, drainage pipe or other equipment or part of the Building, the expense of necessary repairs, replacements or alterations shall be borne by the Tenant who shall pay the same to the Landlord upon demand as Additional Rent.

ARTICLE 12

INSURANCE AND INDEMNITY

Landlord's Insurance

- 12.1 The Landlord covenants and agrees to place and maintain with respect to the Building:
- (a) all risks insurance in an amount equal to the full replacement value (excluding excavations and foundations) of the buildings and equipment comprising the Building; boiler and machinery insurance and rental interruption insurance; and
 - (b) commercial general liability insurance with limits of not less than five million (\$5,000,000.00) dollars for any one occurrence; and
 - (c) any and all other insurance considered necessary by the Landlord acting reasonably as a prudent owner.

Notwithstanding the foregoing, the Landlord shall not be required to take out or maintain any insurance with respect to any loss, injury or damage against which the Tenant is required to insure pursuant to this Lease. Notwithstanding any contribution by the Tenant to the Landlord's insurance premiums as provided in this Lease, no insurable interest is conferred upon the Tenant under policies carried by the Landlord.

Tenant's Insurance

- 12.2 (a) During the whole of the Term and during such other time as the Tenant occupies the Leased Premises, the Tenant shall take out and maintain in the name of the Tenant, the Landlord, its designated representatives and the Mortgagee as their respective interests may appear the following insurance coverage, at the Tenant's

sole expense:

- (i) commercial general liability insurance against claims for third party bodily injury, including death, and property damage or loss arising out of the use or occupation of the Leased Premises, or the Tenant's business on or about the Leased Premises, such insurance to be in the joint names of the Tenant and the Landlord so as to indemnify and protect both the Tenant and the Landlord and to contain a "cross liability" or "severability of interest" clause so that the Landlord and the Tenant may be insured in the same manner and to the same extent as if individual policies had been issued to each, and shall be for the amount of not less than five million (\$5,000,000.00) dollars combined single limit or such other amount as may be reasonably required by the Landlord from time to time;
 - (ii) all risks insurance upon its merchandise, stock-in-trade, furniture, fixtures and improvements and upon all other property in the Leased Premises owned by the Tenant or for which the Tenant is legally liable, and insurance upon all glass and plate glass in the Leased Premises against breakage and damage from any cause, all in an amount equal to the full replacement value thereof, which amount in the event of a dispute shall be determined by the Landlord in its sole discretion;
 - (iii) boiler and machinery insurance on such boilers and pressure vessels and equipment as may be installed by, or under the exclusive control of, the Tenant in the Leased Premises;
- (b) The Tenant's policies of insurance hereinbefore referred to shall contain the following:
- (i) provisions that the Landlord is protected notwithstanding any act, neglect or misrepresentation of the Tenant which might otherwise result in the avoidance of a claim under such policies and such policies shall not be affected or invalidated by any act, omission or negligence of the Tenant or any third party which is not within the control of the Landlord;
 - (ii) provisions that such policies and the coverage evidenced thereby shall be primary and non-contributing with respect to any policies carried by the Landlord;
 - (iii) all insurance referred to above shall provide for waiver of the insurer's rights of subrogation as against the Landlord;
 - (iv) provisions that such policies of insurance shall not be restricted, materially changed or cancelled without the insurer providing the Landlord with thirty (30) days written notice stating when such restriction, change or cancellation shall be effective.
- (c) The Tenant shall during the whole of the Term maintain such other insurance in such amounts and in such sums as the Landlord may reasonably determine from time to time.
- (d) Evidence satisfactory to the Landlord of all policies of insurance required to be maintained by the Tenant pursuant to the provisions of this Lease shall be provided to the Landlord prior to the Tenant taking possession of the Leased Premises and upon request.

Bodily Injury, Death, Loss or Damage

12.3 The Tenant agrees that:

- (a) Except as otherwise specifically provided herein, the Landlord shall not be liable for any bodily injury to or death of, or loss or damage to any property belonging to the Tenant or its employees, invitees or licensees or any other person in or about the Leased Premises, the Building or the Lands and in no event shall the

Landlord be liable for any consequential injury, economic or financial loss or damage relating thereto, or

- (i) for any injury or damage of any nature whatsoever to any persons or property caused by the failure by reason of a breakdown or other cause, either directly or indirectly, to supply adequate drainage, snow or ice removal or by reason of the interruption of any public utility or other service, or in the event of gas, steam, water, rain, snow, ice or other substances leaking into, issuing or flowing from the water, steam, sprinkler or drainage pipes or plumbing of the Building or the Leased Premises or from any other place or quarter, into any part of the Leased Premises or from any loss or damage caused by or attributable to the condition or arrangement of any electric or other wiring or for any damage caused by anything done or omitted to be done by any other tenant of the Building;
- (ii) for any act or omission, including theft, malfeasance, or negligence on the part of any agent, contractor or person from time to time employed by the Landlord to perform security services, maintenance, supervision, cleaning or any other work or service in or about the Leased Premises or the Building;
- (iii) for loss or damage, however caused, to money, securities, negotiable instruments, papers or other valuables of the Tenant, including any consequential loss or damage resulting therefrom; or
- (iv) for loss or damage to any automobiles or their contents or for the unauthorized use by other tenants or strangers of any parking space allotted to the Tenant or for parking in or upon the Common Areas and Facilities;

and the Tenant covenants to indemnify and does hereby indemnify the Landlord against and from all loss, costs, claims and demands in respect of any such injury, death or loss to it or its employees, invitees or licensees or any other person in or on the Building for the purpose of attending at the Leased Premises or the Building in respect of any such damage to property belonging to or entrusted to the care of any of the aforementioned;

- (b) The Landlord shall have no responsibility or liability for the failure to supply, if required to do so under the terms of this Lease, interior and climate control and utilities when prevented from doing so by strikes, the necessity of repairs, and order or regulation of anybody having jurisdiction, the failure of the supply of any utility required for the operation thereof or any other cause beyond the Landlord's reasonable control, and the Landlord shall in no event be held responsible or liable for indirect or consequential loss, damages or other damages for personal discomfort or illness or injury or death resulting therefrom;
- (c) The Landlord shall be under no obligation to repair, maintain or insure any of the Tenant's trade fixtures or improvements installed by the Tenant or on its behalf or any other property of the Tenant in or upon the Leased Premises and the Landlord shall not be liable for any loss or damage against which the Tenant is obligated to insure hereunder or has insured against;
- (d) The Landlord shall be under no obligation to remedy any default of the Tenant and shall not incur any liability to the Tenant for any act or omission in the course of its curing or attempting to cure any such default or in the event of its entering upon the Leased Premises to undertake any examination thereof or any work therein or in the case of any emergency.
- (e) All property of the Tenant kept or stored on the Leased Premises shall be so kept or stored at the risk of the Tenant.

Increase in Insurance Premiums

12.4 The Tenant agrees that it will not keep, use, sell or offer for sale in or upon the Leased Premises any article which may be prohibited by the insurance policies in force from time to time covering the Building. In the event the Tenant's occupancy of, conduct of business in, or sale of any merchandise from, or on the Leased Premises, or in the event any activity carried on or permitted to be carried on by the Tenant whether or not the Landlord has consented to same, causes any increase in premiums for the insurance carried from time to time by the Landlord for the Building, the Tenant shall pay any such increase in premiums as Additional Rent within ten (10) days after bills for such additional premiums shall be rendered by the Landlord. In determining whether increased premiums are a result of the Tenant's use or occupancy of the Leased Premises, or the sale of any article therein or therefrom, a schedule issued by the organization making the insurance rate on the Building showing the various components of such rates shall be conclusive evidence of the several items and charges which make up such rates.

Cancellation of Insurance

12.5 If any insurance policy upon the Leased Premises, or any part thereof, shall be cancelled or shall be threatened by the insurer to be cancelled, or the coverage thereunder reduced in any way by the insurer by reason of the use and occupation of the Leased Premises or any part thereof by the Tenant or by any assignee or sub-tenant of the Tenant, or by anyone permitted by the Tenant to be upon the Leased Premises, and if the Tenant fails to remedy the condition giving rise to cancellation or reduction of coverage within forty-eight (48) hours after notice thereof by the Landlord, the Landlord may remedy the condition giving rise to such cancellation, threatened cancellation or reduction, and the Tenant shall forthwith pay the cost thereof to the Landlord which cost may be collected by the Landlord as Rent.

Indemnification of Landlord

12.6 The Tenant agrees to and does hereby indemnify, defend and save harmless the Landlord in respect of any claims for bodily injury or death, property damage or any other loss or damage, arising howsoever, out of the use or occupation of the Leased Premises or from conduct of any work by or any act or omission of the Tenant or any assignee, subtenant, agent, employee contractor, invitee, or licensee of the Tenant or anyone else for whom the Tenant may be responsible in law, and in respect of all costs, expenses and liabilities incurred by the Landlord in connection with or arising out of all such claims, including the expense of any action or proceeding pertaining thereto and in respect of any loss, cost, expense or damage suffered or incurred by the Landlord arising from any breach or non-performance by the Tenant of any of its covenants or obligations under this Lease. The Tenant's obligations to observe or perform the foregoing covenants shall survive the expiration or other termination of this Lease. The Tenant expressly releases the Landlord from any claims, damages, judgements, losses or awards caused by or arising from perils insured against or required to be insured against by the Tenant under this Lease.

ARTICLE 13

ASSIGNMENT AND SUBLETTING

Consent Required

13.1 (a) The Tenant shall not assign this Lease or sublet or otherwise part with possession of the whole or any part of the Leased Premises (individually and collectively a "Transfer") unless: (1) it shall have received or procured a bona fide written offer to take an assignment or sublease which is not inconsistent with, and the acceptance of which would not breach any provision of this Lease if this Section is complied with and which the Tenant has determined to accept subject to this Section being complied with, and (2) it shall have first requested and obtained the consent in writing of the Landlord thereto **and such consent of the Landlord shall not to be unreasonably withheld**. Any request for such consent shall be in writing and accompanied by a true copy of such offer, and the Tenant shall furnish to the Landlord all information available to the Tenant and requested by the Landlord as to the responsibility, reputation, financial standing and

business of the proposed assignee or sub-tenant. Within fifteen (15) days after receipt by the Landlord of such request for consent and of all information which the Landlord shall have requested hereunder (and if no such information has been requested, within fifteen (15) days after receipt of such request for consent) the Landlord shall notify the Tenant (i) whether or not the Landlord consents; or (ii) if the Landlord elects to terminate this Lease as to the part of the Leased Premises affected by the proposed Transfer, or as to the whole Lease and Leased Premises if the proposed Transfer affects all of the Leased Premises. The Landlord's consent to the proposed assignment or sublease shall not be unreasonably withheld **or delayed** so long as the proposed assignment or sublease complies with provisions of this Section 13.1;

- (b) If the Landlord elects to terminate this Lease it shall stipulate in its Notice the termination date of this Lease, which date shall be the date of possession contemplated under the proposed Transfer (provided that if such date is less than sixty (60) days following the giving of Notice of such election, the Landlord may elect to have the termination date sixty (60) days following the giving of Notice). If the Landlord elects to terminate this Lease, the Tenant may notify the Landlord within ten (10) days following receipt of such Notice of the Tenant's intention to refrain from such Transfer and, if the Tenant provides such written Notice within such time period, then the Landlord's election to terminate this Lease shall become void. If the Tenant fails to deliver such Notice within such time period, then this Lease shall, as to the whole or affected part of the Leased Premises, as the case may be, be terminated on the date of termination stipulated by the Landlord in its Notice of election to terminate. If the Tenant is required to deliver possession of a part only of the Leased Premises, the Tenant shall pay all costs incurred in connection with rendering that part functionally separate and suitable for separate use and occupancy, including partitioning and providing entrances and services;
- (c) Notwithstanding any such assignment, sublease, or parting with possession, the Tenant shall remain fully liable on this Lease and shall not be released from performing any of the terms, covenants and conditions of this Lease during the Term hereof and any extensions or renewals of this Lease;
- (d) No assignment or sublease shall be made or proposed other than to responsible persons, firms, partnerships or bodies corporate who are experienced in and agree to carry on the type of business conducted in the Leased Premises by the Tenant, as set forth in Section 9.1(a) hereof and who undertake to perform and observe the obligations of the Tenant hereunder by entering into the Landlord's form of agreement directly with the Landlord;
- (e) The prohibition against assigning or subletting without the consent required by this Section 13.1 shall be construed to include a prohibition against any assignment or sublease by operation of law, any assignment or sublease to a franchise of the Tenant and the granting of any mortgage or other security interest in this Lease;
- (f) The consent by the Landlord to any assignment or sublease shall not constitute a waiver of the necessity for such consent to any subsequent assignment or sublease;
- (g) The Landlord's then current reasonable charge and all costs incurred by the Landlord in connection with the assignment or sublease or the request for consent thereto shall be borne by the Tenant; and
- (h) Any consideration whatsoever, including any Rent or other charges, in respect of the Leased Premises in excess of that payable hereunder by the Tenant to the Landlord, payable by an assignee or subtenant to the Tenant pursuant to any permitted assignment or sublease, shall be assigned by the Tenant to the Landlord at the time such consent is granted.

Notwithstanding the foregoing, the Tenant shall be permitted to assign this Lease on written notice to the Landlord (but without the requirement for consent) to an affiliated corporation (as that term is defined in the *Canada Business Corporations Act*) provided that if such affiliation ceases this Lease shall be reassigned to the Tenant or another affiliate of the Tenant and further provided that the terms and conditions of Section 13.1 shall apply to any such assignment.

Control of Corporation

13.2 If the Tenant is a corporation, other than a corporation of which the shares are listed on any recognized stock exchange, effective control of the corporation shall not be changed directly or indirectly by a sale, encumbrance or other disposition of shares whether by operation of law or otherwise howsoever, without first obtaining the written consent of the Landlord and such change of control shall be deemed an assignment and the provisions of Section 13.1 shall apply.

No Bulk Sale

13.3 No bulk sale of the goods and assets of the Tenant may take place without first obtaining the written consent of the Landlord, which consent shall not be unreasonably withheld so long as the Tenant and the purchaser are able to provide the Landlord with assurances, in a form satisfactory to the Landlord, that the Tenant's obligations hereunder will continue to be performed and respected, in a manner satisfactory to the Landlord, after completion of the said bulk sale.

ARTICLE 14

WASTE, GOVERNMENTAL REGULATION

Waste or Nuisance

14.1 The Tenant shall not commit or suffer to be committed any waste upon the Leased Premises or any nuisance or other thing which may disturb the quiet enjoyment of any other tenant in the Building.

Governmental Regulations

14.2 The Tenant shall, at the Tenant's sole cost and expense, comply with all of the requirements of all municipal, provincial, federal and other applicable governmental authorities, now in force, or which may hereafter be in force, pertaining to the Leased Premises, and shall faithfully observe in the use of the Leased Premises all municipal by-laws and provincial and federal statutes and regulations now in force or which may hereafter be in force.

Observance of Law

14.3 The Tenant covenants to comply with all provisions of law including, without limiting the generality of the foregoing, federal and provincial legislative enactments, building by-laws and other governmental or municipal regulations which relate to the partitioning, equipment operation and use of the Leased Premises, or to the making of any repairs, replacements, alterations, additions, changes, substitutions or improvements of or to the Leased Premises, and to comply with all police, fire and sanitary regulations imposed by any governmental, provincial or municipal authorities or made by fire insurance underwriters and to observe and obey governmental and municipal regulations and other requirements governing the conduct of any business conducted in the Leased Premises.

Compliance with Environmental Laws

14.4 (a) Without limiting any other provision of this Lease, the Tenant agrees to comply in all respects with all laws, ordinances, rules and regulations relating to the storage, transport, use or disposal of any Hazardous Substance. The Tenant agrees to indemnify and hold the Landlord harmless from and against any and all claims, losses, costs, damages, liabilities, civil fines and penalties, criminal fines and penalties, expenses (including legal fees on a solicitor-client basis), cleanup costs or other injury resulting from or arising out of the Tenant's (including employees, contractors and agents) failure to comply with the foregoing sentence. The

Tenant agrees to post and keep posted in a prominent location of the working area of the Leased Premises any memorandum or bulletin from the Landlord concerning Hazardous Substances. The foregoing indemnity shall survive the termination of this Lease, any subsequent extensions or renewals and shall continue until the applicable statute of limitation runs out.

- (b) The Tenant shall not cause or permit any Hazardous Substance, as defined herein or declared to be such pursuant to any Environmental Laws, to be brought upon, kept or used in or about the Leased Premises or any part thereof without the prior written consent of the Landlord, which consent will not be unreasonably withheld if the Tenant demonstrates to the Landlord's reasonable satisfaction that the Hazardous Substance is reasonably necessary for the Tenant's permitted use of the Leased Premises and that it will be used, kept, stored and disposed of in a manner that complies with all Environmental Laws regulating the Hazardous Substances.
- (c) The Tenant shall at the Tenant's own expense comply with all Environmental Laws regulating the manufacture, use, storage, transportation and disposal of Hazardous Substances and shall make, obtain and deliver all reports and studies required by any authority thereunder.
- (d) The Landlord may at any time and from time to time inspect the Leased Premises and the Tenant's reports for the purpose of identifying the existence, nature and extent of any Hazardous Substance on the Leased Premises and the Tenant's use, storage and disposal of any Hazardous Substance, and the Tenant agrees to cooperate with the Landlord in its performance of such inspection. If the Landlord, acting reasonably, determines following any such inspection that further testing or investigation is required in order to monitor the Tenant's compliance with any Environmental Laws, the Landlord may at its option require the Tenant, at its expense, to arrange for such testing or investigation, or may arrange for such testing or investigation itself, in which case the Landlord's cost of any such testing or investigation shall be paid by the Tenant to the Landlord as Additional Rent forthwith upon demand thereof.
- (e) If any authority under any Environmental Laws shall require the cleanup of any Hazardous Substances held, released, spilled, abandoned or placed upon the Leased Premises or released into the environment by the Tenant in the course of the Tenant's business or as a result of the Tenant's use or occupancy of the Leased Premises, then the Tenant shall at its own expense, prepare all necessary studies, plans and proposals and submit the same for approval, provide all bonds and other security required by such authority and carry out and complete the work required, provide to the Landlord full information with respect to proposed plans and the status from time to time of its cleanup work and comply with the Landlord's reasonable requirements with respect to such plans.
- (f) If the Tenant creates or brings to the Leased Premises any Hazardous Substance or if the conduct of the Tenant's business shall cause there to be any Hazardous Substance at the Leased Premises then, notwithstanding any provision in this Lease or rule of law to the contrary, such Hazardous Substance shall be and remain the sole and exclusive property of the Tenant and shall not become the property of the Landlord notwithstanding the degree of affixation to the Leased Premises of the Hazardous Substance, and notwithstanding the expiry or early termination of this Lease.
- (g) Upon the expiration or early termination of the Term, the Tenant at its sole expense shall remove and dispose of all Hazardous Substances and all storage tanks and other containers therefor in accordance with all Environmental Laws to the extent required by the Landlord, and to the extent that such removal and disposal involves any excavation work at the Leased Premises, the Tenant shall restore the Leased Premises to the same grade level as immediately prior to excavation, using only clean, uncontaminated soil or other material satisfactory to the Landlord. In performing such work, the Tenant shall use only those environmental consultants and contractors first approved in writing by the

Landlord and the Tenant shall provide the Landlord with evidence of such removal and disposal hereunder.

ARTICLE 15

LANDLORD'S COVENANTS

Landlord's Covenants

15.1 Upon payment by the Tenant of the Rent herein provided, and upon observance and performance of all covenants, terms and conditions on the Tenant's part to be observed and performed, the Landlord hereby covenants with the Tenant:

- (a) for quiet enjoyment for the Term hereby demised without hindrance or interruption by the Landlord, or any other person or persons lawfully claiming by, through or under the Landlord;
- (b) subject to the other provisions of this Lease, to maintain, and to insure the Common Areas and Facilities, the Lands and the Building as a landlord, acting reasonably, would do in similar circumstances.

Services

15.2 The Landlord covenants with the Tenant as follows:

- (a) to provide heating of the Leased Premises and to operate the air conditioning and ventilating equipment to an extent sufficient to maintain a reasonable temperature therein at all times during Normal Business Hours except during the making of repairs; but should the Landlord default in so doing, the Landlord shall not be liable for indirect or consequential damages of any kind or damages for personal discomfort or illness by reason of the operation or non-operation of such equipment or otherwise;
- (b) if the Building has a passenger elevator, to furnish, except when repairs are being made, passenger elevator service during Normal Business Hours and limited elevator service at other times; operator lift and automatic elevator service if made available shall be deemed elevator service;
- (c) if the Building has a passenger elevator, to permit the Tenant and its employees to have free use of such elevator service in common with others;
- (d) to permit the Tenant and its employees and all persons lawfully requiring communication with them in common with others to have the use during Normal Business Hours of the entrances, stairways, corridors and halls in the Building leading to the Leased Premises;
- (e) to permit the Tenant and its employees in common with others entitled thereto to use the washrooms in the Building which may be designated for the Leased Premises;
- (f) to cause, when reasonably necessary from time to time, the floors to be swept and the windows to be cleaned and the desks, tables and other furniture of the Tenant to be dusted, all in keeping with a first-class office building; but with the exception of the obligation to cause such work to be done, the Landlord shall not be responsible for any act of omission or commission on the part of the person or persons employed to perform such work and such work shall be done at the Landlord's direction without interference by the Tenant, its agents or employees. The Tenant acknowledges that the Landlord shall be relieved from the foregoing obligations in respect of any part of the Leased Premises to which access is not granted to the person or persons employed or retained to do such work.

ARTICLE 16

CHANGES AND ADDITIONS TO BUILDING

Changes and Additions to Building

16.1 The Landlord hereby reserves the right at any time to change the configuration of the Common Areas and Facilities and to make alterations or additions to and to build additional storeys on the Building in which the Leased Premises are contained and to build adjoining the same. The Landlord also reserves the right to construct other buildings or improvements on the Lands from time to time and to make alterations thereof or additions thereto and to build additional storeys on any such building or buildings and to build adjoining same and to construct multi-deck or elevated or underground parking facilities. The Tenant acknowledges that the sole object of the floor plan attached as Schedule "B" is to identify the approximate location of the Leased Premises. The Landlord reserves the right to make, at any time whether before or during the Term, any relocations, rearrangements or other modifications to the floor plan and/or the Building (including the Leased Premises) required by governmental authorities or by the Landlord.

ARTICLE 17

FIXTURES AND ALTERATIONS

Installation by Tenant

17.1 All fixtures installed by the Tenant shall be new or, if not new, in first class condition and of good appearance. The Tenant shall not make or cause to be made any alterations, additions or improvements or install or cause to be installed, any trade fixtures, exterior signs, floor coverings, interior or exterior lighting, or mechanical or electrical systems and fixtures, or plumbing fixtures, shades or awnings, or make any changes to the store front or hang from or affix anything to the ceiling without first obtaining the Landlord's written approval and consent which shall not be unreasonably withheld. The Tenant shall present to the Landlord plans and specifications for such work at the time approval is sought and the work shall be carried out in a good and workmanlike manner.

Tenant's Fixtures and Restoration

- 17.2 (a) So long as the Tenant is not in default hereunder, at the expiration of the Term of this Lease, the Tenant shall then have the right to remove its trade fixtures, **furnishings, equipment and personal property** from the Leased Premises, but shall make good any damage caused to the Leased Premises resulting from the installation or removal thereof, provided that all alterations, additions and improvements constructed and installed in the Leased Premises and attached in any manner whatsoever to the floors, walls or ceilings, including any floor covering and light fixtures (the "Leasehold Improvements"), are hereby deemed not to be trade fixtures and shall remain upon and be surrendered with the Leased Premises, except to the extent the Landlord **has the right to and** requires removal thereof pursuant to Section 17.2(f).
- (b) If the Tenant fails to remove its trade fixtures, **furnishings, equipment and/or personal property** and restore the Leased Premises as aforesaid, all such trade fixtures, **equipment and/or personal property** shall become the property of the Landlord except to the extent that the Landlord continues to require removal thereof pursuant to Section 17.2(f).
- (c) Should the Tenant abandon the Leased Premises or should this Lease be terminated before the proper expiration of the Term hereof, due to a default on the part of the Tenant, then in such event, as of the moment of default by the Tenant, all trade fixtures and furnishings of the Tenant (whether or not attached in any manner to the Leased Premises and including Leasehold Improvements) shall, except to the extent the Landlord requires the removal thereof pursuant to Section 17.2(f), become and be deemed to be the property of the Landlord without

indemnity to the Tenant and as additional liquidated damages in respect of such default but without prejudice to any other right or remedy of the Landlord.

- (d) Notwithstanding that any Leasehold Improvements are or may become the property of the Landlord, the Tenant shall forthwith remove **any Excluded Leasehold Improvements as provided in Section 17.2(f) below**, and shall make good any damage caused to the Leased Premises resulting from the removal thereof, all at the Tenant's expense, should the Landlord so require by notice to the Tenant.
- (e) If the Tenant, after receipt of a notice from the Landlord pursuant to Section 17.2(d), fails to promptly remove any trade fixtures, furnishings, **equipment, personal property or Excluded Leasehold Improvements** in accordance with such notice, then the Landlord may enter into the Leased Premises and remove therefrom all or part of such trade fixtures, **equipment, personal property or Excluded Leasehold Improvements** without any liability and at the cost of the Tenant which cost shall forthwith be paid by the Tenant to the Landlord together with an administration fee equal to fifteen percent (15%) of such cost.
- (f) **Provided the Required Conditions have been met, the Tenant shall not be responsible for removing any Leasehold Improvements at the expiration or earlier termination of this Lease, provided that the Tenant shall, at the request of the Landlord, remove all Excluded Leasehold Improvements and in each instance, repair any damage caused by the installation and/or removal thereof. "Excluded Leasehold Improvements" means any: (1) cabling, data lines and communications wiring which shall be stripped back to the source; (2) specialty areas and/or atypical improvements (such as, by way of example and without limitation, raised floor computer environments, vaults, specialty lighting, flooring or ceilings, and internal staircases), constructed by or on behalf of the Tenant; (3) any equipment, installations or improvements made by or on behalf of the Tenant which are located outside of the Leased Premises; (4) signage (whether interior or exterior); and (5) any Leasehold Improvements constructed or installed without the prior written approval of the Landlord as provided herein. The Tenant shall remove its trade fixtures, furniture and equipment at the expiration or earlier termination of the Term and leave the Leased Premises in a clean, broom swept condition, free of any garbage and debris. If the Tenant fails to remove the Excluded Leasehold Improvements and repair any damage as provided herein, the Landlord may, at its option, restore the Leased Premises as provided herein at the Tenant's expense, including the Landlord's fifteen percent (15%) administration fee, payable by the Tenant within fifteen (15) days of receipt of the Landlord's invoice. The obligation on the part of the Tenant herein shall survive the expiration or earlier termination of this Lease. The foregoing shall not absolve the Tenant of its obligation to repair damage and maintain the Premises as set out in this Lease.**

Not to Overload Floors or Facilities

17.3 The Tenant covenants and agrees that it will not

- (a) bring upon the Leased Premises or any part thereof, any machinery, equipment, article or thing that by reason of its weight, size or use might reasonably damage the Leased Premises or overload the floors of the Leased Premises;
- (b) overload the facilities serving the Leased Premises (including, but not being limited to, the heating, ventilating and air conditioning facilities, electrical facilities and plumbing facilities serving the Leased Premises),

and that if any damage is caused to the Leased Premises by any machinery, equipment, article or thing or by overloading the floors or the facilities or by any act, neglect, or misuse on the part of the Tenant and its servants, agents or employees or any person having business with the Tenant,

the Tenant will forthwith repair the same or pay to the Landlord the cost of making good the same as Additional Rent.

Tenant shall Discharge all Liens

17.4 The Tenant shall promptly pay all its contractors and material men and shall do any and all things necessary so as to minimize the possibility of a lien attaching to the Leased Premises or to any or all of the Lands and should any such lien be made or filed, the Tenant shall immediately discharge the same at the Tenant's expense and shall indemnify and save harmless the Landlord therefrom. If the Tenant does not immediately discharge such lien, the Landlord may pay such lien and the Tenant will pay to the Landlord the amount so paid and all the Landlord's costs in connection therewith which amounts shall be collectible by the Landlord as Additional Rent hereunder.

ARTICLE 18

DAMAGE AND DESTRUCTION

Total or Partial Destruction

- 18.1 (a) In the event the Leased Premises are wholly or partially damaged or destroyed by an Insurable Hazard, the Landlord shall, subject to Section 18.1(d), and subject to the consent of the Mortgagee, repair or replace the Leased Premises with reasonable diligence.
- (b) The Landlord shall not be obligated to expend for such repair or replacement an amount in excess of the insurance proceeds recovered or recoverable as a result of such damage. The Tenant shall cause all proceeds of insurance to be paid to the Landlord on account of the cost of repair or replacement. In no event shall the Landlord be required to repair or replace the Tenant's stock in trade, fixtures, furnishings, floor coverings or equipment, nor items which are the responsibility of the Tenant pursuant to Section 11.1 hereof.
- (c) If the casualty, repairing or rebuilding shall render the Leased Premises untenable, in whole or in part, a proportionate abatement of the Rent shall be allowed from the date when the damage occurred until the date the Landlord completes such work, said proportion to be computed on the basis of the relation which the gross square foot floor area of the space rendered untenable bears to the Floor Area of the Leased Premises.
- (d) If any damage or destruction to the Leased Premises or to the Building cannot in the Landlord's opinion, be repaired and restored with reasonable diligence within one hundred and eighty (180) days of the date of happening of such damage or destruction, the Landlord may terminate this Lease and the tenancy hereby created by giving to the Tenant sixty (60) days written notice thereof and in the event of such termination, this Lease shall terminate and the Rent shall be adjusted as of the date of the occurrence of such damage or the date the Tenant properly ceases to conduct its business from the Leased Premises, whichever is late, and the Tenant shall deliver up vacant possession of the Leased Premises on the date specified in the notice and the provisions of Section 17.2 shall apply.

Notice by Tenant

18.2 The Tenant shall give immediate notice to the Landlord, in case of fire or accidents in the Leased Premises or in the Building of which the Leased Premises are a part, or of defects therein or in any fixtures or equipment, notwithstanding the fact that the Landlord may have no obligations with respect thereto.

Notice of Repair and Reconstruction

18.3 From and after the date upon which the Tenant is notified in writing by the Landlord that the Landlord's work of reconstruction or repair is completed, the Tenant shall immediately commence all work required to fully restore the Leased Premises and shall complete such work

and reopen for business within sixty (60) days of receipt of the Landlord's notice aforesaid with the Leased Premises fully fixtured, stocked and staffed. The certificate of the Landlord's architect shall bind the parties hereto as to the state of tenantability of the Leased Premises and as to the date upon which the Landlord's work of reconstruction or repair is completed.

ARTICLE 19

EXPROPRIATION

Expropriation of the Building

19.1 If during the Term the Building, or any part thereof, shall be acquired or condemned by expropriation for any public or quasi-public use or purpose, then the Landlord and the Tenant may separately claim, receive and retain awards of compensation for the loss of their respective interest, if any, but neither the Landlord nor the Tenant shall have any claim against the other in respect of the said loss of the unexpired Term.

ARTICLE 20

DEFAULT OF TENANT

Termination

20.1 If and whenever:

- (a) any Rent or other amount payable by the Tenant under this Lease, including any instalment thereof, shall be in arrears and shall not then be paid within seven (7) days after it is due, without the requirement for formal demand by the Landlord; or
- (b) the Tenant shall have breached or failed to comply with any of its other covenants and agreements contained in this Lease, and shall have failed to remedy such breach or non-compliance within fifteen (15) days after written notice thereof given by the Landlord to the Tenant (or such longer period if any as the Landlord may in writing allow for the remedying of such breach or non-compliance), provided however that no time for the remedying of such breach or non-compliance shall or need be given or allowed where the breach or non-compliance is one not reasonably capable of being remedied within a reasonable time; or
- (c) upon the occurrence of any event or circumstances which, pursuant to Section 20.2 or any other provision of this Lease so providing, entitles the Landlord to cancel or terminate this Lease or re-enter the Leased Premises;

then and in every case it shall be lawful for the Landlord at any time thereafter at its option and without notice to the Tenant to enter into and upon the Leased Premises or any part thereof in the name of the whole and to terminate this Lease and all the rights of the Tenant hereunder, anything in this Lease to the contrary notwithstanding.

Bankruptcy

20.2 If the Tenant or any Indemnifier of this Lease shall become bankrupt or insolvent or file any proposal, or if a Receiver is appointed for all or a portion of the Tenant's property or any such Indemnifier's property, or if the Tenant makes a sale in bulk, or if the Tenant shall abandon the Leased Premises, or suffer this Lease or any of its assets to be taken under any writ of execution or like process, or if re-entry is permitted under any other terms of this Lease, then the Landlord, in addition to any other rights or remedies it may have, shall have the immediate right of re-entry and may remove all persons and property from the Leased Premises and such property may be removed and stored for the account of the Tenant or be sold by the Landlord (and at the sole option of the Landlord, by way of private sale to the Landlord or any third party) all without being deemed guilty of trespass, or becoming liable for any loss or damage which may be occasioned thereby and to have again, repossess and enjoy the Leased Premises as of its former estate whether the Landlord terminates this Lease or not, and notwithstanding the

retaking of possession of the Leased Premises by the Landlord, the Landlord specifically reserves all remedies and rights of action herein or at law or in equity provided. The Landlord or its duly authorized agent shall be entitled to distraint for the Rent hereby reserved including accelerated rent, if any, or for any money hereby made recoverable by distress upon the goods and chattels of the Tenant, wheresoever situate, and upon any premises to which the same may have been removed or wherever the same may be found. The Tenant hereby waives and renounces the benefit of any present or future legislation taking away or limiting the Landlord's right of distress.

Damages

20.3 In the event of any breach of this Lease by the Tenant, the Landlord, in addition to exercising any other remedies available to the Landlord and whether the Landlord terminates this Lease or not, may recover from the Tenant all damages it may incur by reason of such breach, including the cost of recovering the Leased Premises, legal fees on a solicitor-client basis and including the worth at the time of termination of the excess, if any, of the amount of Rent and charges equivalent to Rent reserved in this Lease for the remainder of the stated Term over the then reasonable rental value of the Leased Premises for the remainder of the stated Term, all of which amounts shall be immediately due and payable by the Tenant to the Landlord. In any of the events referred to in Section 20.2 hereof, in addition to any and all other rights including the rights referred to in this Section and in Section 20.2 hereof, the full amount of the current month's Minimum Rent and Additional Rent and the next three (3) months' Minimum Rent and Additional Rent shall immediately become due and payable, and the Landlord may distraint for the same, together with any arrears and interest thereon unpaid.

Landlord's Right to Perform

20.4 If the Tenant shall fail to observe, perform or keep any of the provisions of this Lease to be observed, performed and kept by the Tenant, the Landlord may, but shall not be obliged to, at its discretion and without prejudice, rectify the default of the Tenant, whether or not performance by the Landlord on behalf of the Tenant is otherwise expressly referred to in the applicable Section of this Lease. For such purpose the Landlord may make any payment and may do or cause to be done such things as may be required including, without limiting the generality of the foregoing, entry upon the Leased Premises. Any such performance by or at the request of the Landlord shall be at the expense of the Tenant and the Tenant shall pay to Landlord the cost thereof as Additional Rent. The Landlord may perform all or any of the obligations hereunder by or through the Management Company or other agency or agents as it may from time to time determine and the Tenant shall pay to any such agent any monies payable hereunder to the Landlord, as from time to time directed by the Landlord.

Landlord's Expenses Enforcing Lease

20.5 If it shall be necessary for the Landlord to retain the services of a solicitor or any other proper person for the purpose of assisting the Landlord in enforcing any of its rights hereunder in the event of default on the part of the Tenant, the Landlord shall be entitled to collect from the Tenant the cost of all such services including all necessary court proceedings at trial or on appeal on a solicitor-client basis as if the same were deemed to be Rent reserved and in arrears hereunder.

ARTICLE 21

RIGHT OF ENTRY

Right of Entry

21.1 The Landlord or its agent shall have the right to enter the Leased Premises during normal business hours except where otherwise agreed to examine the same and to show them to prospective purchasers, tenants or mortgagees, and to enter the Leased Premises at times mutually agreed between the Landlord and the Tenant to make such repairs as the Landlord may deem necessary or desirable, and the Landlord shall be allowed to take all material into and upon the Leased Premises that may be required therefor without the same constituting an eviction of the Tenant in whole or in part and the Rent reserved shall in no way abate by reason of loss or

interruption of business of the Tenant or otherwise while said repairs are being made. During the six (6) months prior to the expiration of the Term of this Lease, the Landlord may place upon the Leased Premises reasonable notices "To Let" or "For Lease". The Tenant shall permit such notices to remain thereon without hindrance or molestation. The Landlord may at any time within six (6) months before the end of the Term enter the Leased Premises and bring others **during Business Hours or at another time agreed to by the parties, acting reasonably**, for the purposes of offering the Leased Premises for rent. If the Tenant or the Tenant's representative shall not be present to open and permit an entry into the Leased Premises, at any time, when for any reason an emergency or reasonably apprehended emergency shall exist or be contemplated, the Landlord or its agent may enter the same by a master key, or may forcibly enter the same, provided reasonable care is exercised without rendering the Landlord or such agent liable therefor, and without in any manner affecting the obligations and covenants of this Lease. Nothing herein contained however, shall be deemed or construed to impose upon the Landlord any obligation, responsibility or liability whatsoever, for the care, maintenance or repair of the Leased Premises or any part thereof except as otherwise herein specifically provided.

ARTICLE 22

ASSIGNMENT BY LANDLORD

Assignment

22.1 In the event of the sale or lease by the Landlord of the Building or the Lands or the assignment by the Landlord of this Lease or any interest of the Landlord hereunder, and to the extent that any purchaser or assignee by agreement with the Landlord has assumed the covenants and obligations of the Landlord hereunder, the Landlord shall without further written agreement be freed and relieved of liability upon such covenants and obligations.

ARTICLE 23

RULES AND REGULATIONS

Rules and Regulations

23.1 All rules and regulations adopted and promulgated by the Landlord from time to time including those appended as Schedule "D" are hereby made a part of this Lease and the Tenant agrees to comply with and observe the same. The Tenant's failure to keep and observe such rules and regulations shall constitute a breach of this Lease in the manner as if the same were contained herein as covenants. Written notice amendments or supplements, if any, shall be given to the Tenant and the Tenant agrees thereupon to comply with and observe all such rules and regulations and amendments thereto and supplements thereof, provided that no such rules and regulations which contradict any provisions of this Lease shall be binding upon the Tenant.

ARTICLE 24

ESTOPPEL CERTIFICATE, ATTORNMENT, SUBORDINATION

Estoppel Certificate

24.1 Within ten (10) days after request therefor by the Landlord, or in the event of any sale, assignment, lease or mortgage of the Lands, the Tenant agrees to deliver in a form supplied by the Landlord an estoppel certificate to any proposed mortgagee or purchaser, or to the Landlord certifying (if such be the case) that this Lease is in full force and effect and that there are no deficiencies or set-offs thereto, or stating those claimed by the Tenant.

Attornment

24.2 The Tenant shall, in the event any proceedings are brought for the foreclosure of, or in the event of exercise of the power of sale under any mortgage made by the Landlord covering the

Leased Premises, attorn to the mortgagee or the purchaser upon any such foreclosure or sale and recognize such mortgagee or purchaser as Landlord under this Lease.

Subordination

24.3 This Lease is and shall be subordinate at all times to any mortgage or mortgages, granted by the Landlord, or the lien resulting from any other method of financing or refinancing, now or hereafter in force against the Lands or the Building or against any buildings hereafter placed upon the Lands, and to all advances made or hereafter to be made upon the security thereof.

ARTICLE 25

MISCELLANEOUS

No Tacit Renewal

25.1 In the event the Tenant remains in possession of the Leased Premises after the end of the Term hereof without the execution and delivery of a new lease, and the Landlord accepts the Rent, there shall be no tacit renewal of this Lease or the Term hereby granted, and the Tenant shall be deemed to be occupying the Leased Premises as a Tenant from month to month at a monthly rental payable in advance on the first day of each month equal to twice the sum of all monthly Minimum Rent payable during the last month of the Term and otherwise upon the same terms and conditions as are set forth in this Lease (including the payment of Additional Rent), so far as applicable to a monthly tenancy.

Successors

25.2 All rights and liabilities herein given to, or imposed upon the respective parties hereto shall extend to and bind the several respective heirs, executors, administrators, successors and assigns of the said parties. No rights, however, shall enure to the benefit of any assignee of the Tenant unless the assignment to such assignee has been approved by the Landlord in writing as provided in Section 13.1 hereof.

Constitution of Tenant

25.3 If at any time during the Term there is more than one Tenant or more than one person constituting the Tenant hereunder, then they shall each be liable jointly and severally for all Tenant's obligations hereunder and a default by one shall be deemed a default by all.

Entire Agreement

25.4 This Lease and the Schedules attached hereto and forming a part hereof set forth all of the covenants, promises, conditions, agreements and understandings between the Landlord and the Tenant. Except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Lease shall be binding upon the Landlord or the Tenant unless reduced to writing and signed by them. Both parties intend and acknowledge that this Lease supersedes, replaces and merges all previous or concurrent agreements, arrangements and discussions, whether oral, written, customary or otherwise, regarding the Tenant's interest in the Leased Premises.

Force Majeure

25.5 Save as otherwise herein provided, in the event that either party hereto shall be delayed or hindered in or by reason of strikes, lock-outs, labour troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, vandalism, acts of terrorism or other reason of like nature not the fault of the party delayed in performing work or doing acts required under the terms of this Lease, and not a delay caused by lack of funds or other financial reason, then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay.

Notices

25.6 Any notice, demand, request or other instrument which may be or is required to be given under this Lease, shall be delivered in person or sent by registered mail postage prepaid and shall be addressed:

- (a) If to the Landlord:

**INVESTORS GROUP TRUST CO. LTD.
as trustee for Investors Real Property Fund
c/o GWL Realty Advisors Inc.
33 Yonge Street, Suite 300
Toronto, Ontario M5E 1G4**

Attention: Leasing Department

- (b) If to the Tenant:

The Leased Premises

- (c) If to the Indemnifier:

Not Applicable

or at such other address as the Landlord, the Tenant or the Indemnifier may designate by written notice. Any such notice, demand, request or consent shall be conclusively deemed to have been given or made on the day upon which such notice, demand, request or consent is delivered, or if mailed, then on the third business day following the date of the mailing as the case may be, and either party may at any time give notice in writing to the other of any change of address of the party giving such notice and from and after the giving of such notice, the address therein specified shall be deemed to be the address of such party for the giving of notices hereunder, provided that in the case of interruption in the ordinary postal service, any notice, demand, request or consent given hereunder shall be delivered and not mailed.

Financial Information

25.7 The Tenant shall, upon written request, provide the Landlord with such information as to the Tenant's financial standing and corporate organization as the Landlord or its Mortgagee may request, and the Tenant hereby authorizes the Landlord or its Mortgagee to make such credit checks as the Landlord or its Mortgagee may require.

Section and Article Numbers

25.8 The captions, section numbers, article numbers and Table of Contents do not define, limit, construe or describe the scope or intent of the sections or articles.

Governing Law

25.9 This Lease shall be construed and governed by the laws of Canada and the Province in which the Building is located.

Time

25.10 Time shall be strictly of the essence herein.

No Partnership

25.11 The Landlord and the Tenant are agreed that nothing contained in this Lease nor any acts of the Landlord or the Tenant shall be deemed to create any relationship between the Landlord and the Tenant other than the relationship of landlord and tenant.

No Waiver

25.12 No condoning, excusing or overlooking by the Landlord or the Tenant of any default, breach or non-observance by the Tenant or the Landlord at any time or times in respect of any

covenant, proviso or condition herein contained shall operate as a condoning, excusing or overlooking of any continuing or subsequent default, breach or non-observance, or so as to defeat or affect in any way the rights of the Landlord or Tenant herein in respect of any such continuing or subsequent default or breach, and no waiver shall be inferred from or implied by anything done or omitted by the Landlord or the Tenant save only expressed waivers in writing. All rights and remedies of the Landlord in this Lease contained shall be cumulative and not alternative.

Registration

25.13 Neither the Tenant, nor anyone on the Tenant's behalf, shall be entitled to file or register this Lease or any notice or caution indicating an interest in the Leased Premises and the Landlord shall not be obliged to deliver this Lease in registrable form, **except that at any time after the execution and delivery of this Lease by both parties, the Tenant may, at its own cost, register notice of this Lease in a form acceptable to the Landlord, acting reasonably (but no financial terms shall be disclosed in such notice). The Tenant shall be required to pay the Landlord's reasonable and actual costs associated with the review and approval of such notice and the registration thereof and shall ensure that such notice will be discharged on the expiry of the Term, at the Tenant's cost, failing which the Landlord may effect the discharge at the Tenant's cost.**

All Amounts Recoverable as Rent

25.14 All amounts payable by the Tenant under this Lease shall be deemed to be Rent and recoverable as Rent and the Landlord shall have all the rights and remedies against the Tenant for default in payment of any such amount as the Landlord has for default in payment of Rent.

Commissions

25.15 **The Landlord shall pay a commission to Titan-York Realty Corporation (the "Tenant's Agent") pursuant to a separate agreement between the Landlord and the Tenant's Agent.**

General Matters of Intent and Interpretation

- 25.16 (a) Each obligation under this Lease is a covenant.
- (b) The use of the neuter singular pronoun to refer to the Landlord or the Tenant is a proper reference even though the Landlord or the Tenant is an individual, a partnership, a corporation or a group of two or more individuals, partnerships or corporations. The grammatical changes needed to make the provisions of this Lease apply in the plural sense when there is more than one Landlord or Tenant and to corporations, associations, partnerships or individuals, males or females, are implied.
- (c) If a part of this Lease or the application of it to a person, corporation, firm or circumstance, is to any extent held or rendered invalid, unenforceable or illegal, that part:
- (i) is independent of the remainder of this Lease and is severable from it, and its invalidity, unenforceability or illegality does not affect, impair or invalidate the remainder of this Lease; and
 - (ii) continues to be applicable to and enforceable to the fullest extent permitted by law against any person, corporation, firm and circumstance except those as to which it has been held or rendered invalid, unenforceable or illegal.

No part of this Lease will be enforced against a person, corporation, firm, if, or to the extent that by doing so, the person, corporation, firm is made to breach a law, rule, regulation or enactment.

- (d) The Landlord acts as agent for, or as trustee for, the Management Company, all Mortgagees and the Owners to the extent necessary to ensure that all exculpatory

provisions and indemnities included in their favour in this Lease are enforceable against the Tenant by them, and by the Landlord.

Planning Act

25.17 This Lease is subject to compliance with the provisions of the Planning Act of Ontario.

Obligation of the Fund

25.18 This Agreement shall not be personally binding upon and resort shall not be had nor shall recourse or satisfaction be sought from the private property of any of the unitholders of Investors Real Property Fund (the "Fund"), the trustee(s) of the Fund, the manager of the Fund or the officers, directors, employees or agents of the trustee(s) or manager of the Fund, it being intended and agreed that only the property of the Fund shall be bound by this Agreement.

Indemnity

25.19 ~~Intentionally deleted.~~

No Representation

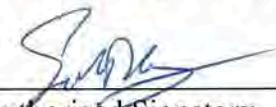
25.20 No agreement, representations, warranties or conditions relating to the Leased Premises or the contents of this Lease have been made except as are expressly set out herein. It is understood and agreed that there have been no representations made as to whether or not the Tenant's proposed use of the Leased Premises is in compliance with the by-laws and regulations governing the property. It is the Tenant's obligation to satisfy itself that its use is in compliance with the said by-laws and regulations. The Tenant acknowledges that no indemnities of the Landlord in favour of the Tenant have been given under this Lease.

Confidentiality

25.21 The Tenant acknowledges that the contents of this Lease and all information obtained by the Tenant in relation to the Leased Premises, the Building, the Landlord or its manager, are strictly confidential, and the Tenant covenants not to disclose to any person, no allow disclosure of same, to any third party, except to its professional advisors, in their capacity as such (in which case Tenant shall obtain a similar covenant of confidentiality from such advisors), or as may otherwise be required by law.

IN WITNESS WHEREOF the parties hereto have executed this Lease the day and year first above written.

SIGNED, SEALED AND DELIVERED
in the presence of:

) **INVESTORS GROUP TRUST CO. LTD. AS**
) **TRUSTEE FOR INVESTORS REAL**
) **PROPERTY FUND**
)
) **(Landlord)**
)
)
) Per: 
) Authorized Signatory Andrei Novak
) Authorized Signatory
)
) Per: 
) Authorized Signatory
)
)
)

Scott C. Elson

Assistant Secretary

SK

) **THE CANADIAN BIOCEUTICAL**
) **CORPORATION**
) **(Tenant)**

) Per: 

Authorized Signatory

RANDY STAFFORD CFO

) Per: _____
Authorized Signatory

) I/We have authority to bind the corporation.

SCHEDULE "A" – LEGAL DESCRIPTION

Part of Lot 18, Concession 1, East of Yonge Street and part of Lot 18, Plan 2400, in the City of Toronto (formerly the City of North York), designated as Parts 1, 2, 3, 4, 5, 6, 7, 26, 33, 34, 42, 49 and 50, Plan 64R-14051.

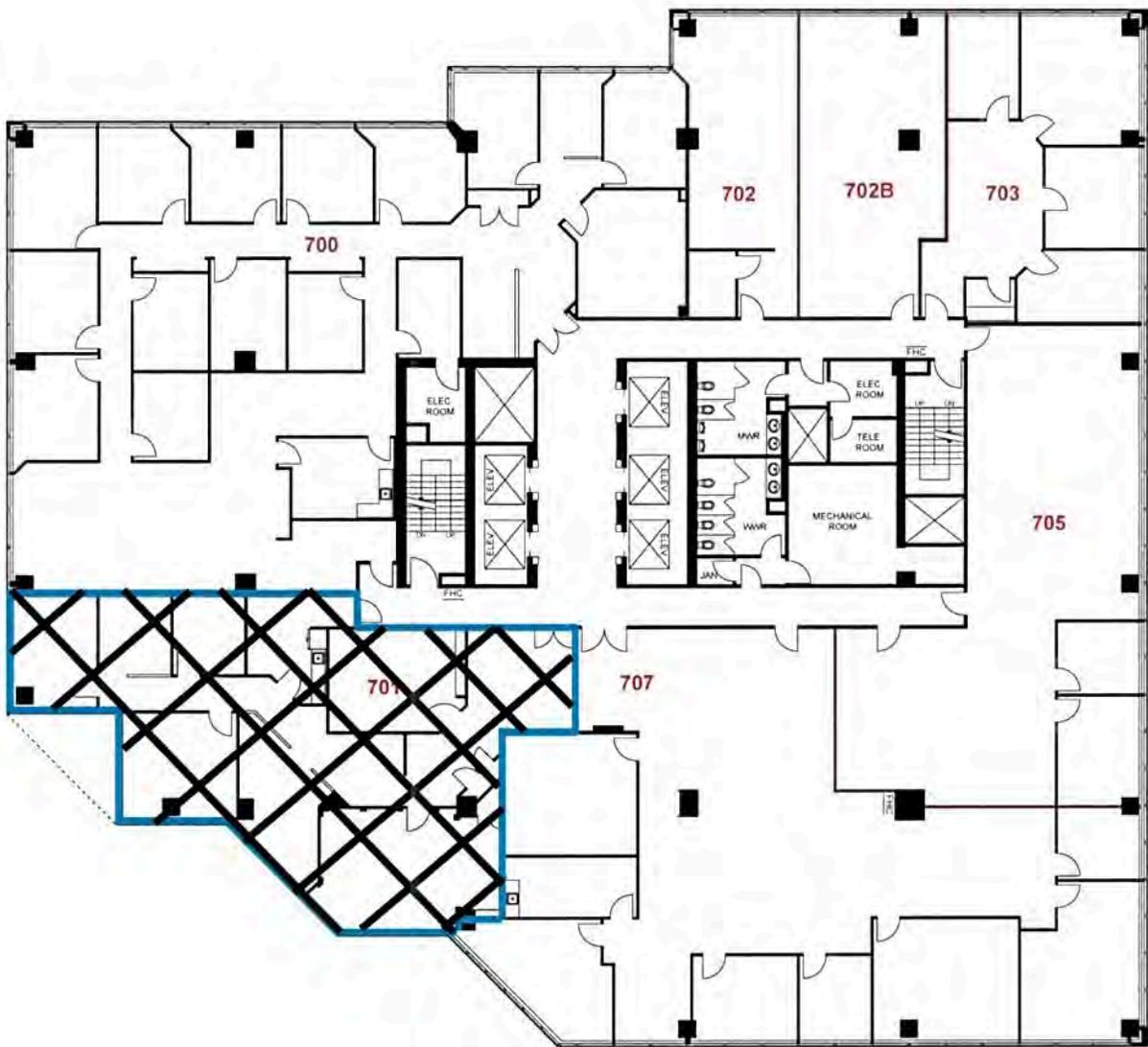
TOGETHER WITH a right of way or right in the nature of an easement, in, over, along and upon Part of Lot 18, Concession 1, East of Yonge Street, Part of Lot 702, Plan 1790, designated as Parts 11, 12, 13, 30 and 31 on Plan 64R-14051 for the purposes of vehicular and pedestrian ingress and egress.

TOGETHER WITH a right or right in the nature of an easement in and through Part of Lot 18, Concession 1, designated as Parts 10 and 11 on Plan 64R-14051, for the free, unimpeded and unobstructed flow of air through the air exhaust or intake shafts situate within the said Parts 10 and 11 on Plan 64R-14051.

SUBJECT TO rights of way or rights in the nature of easements, in favour of the owners, their successors and assigns, of Part of Lot 18, Concession 1, East of Yonge Street, Part of Lot 18, Plan 2400 and Part of Lots 700, 701, 702, 703, 704 and 705 on Plan 1790 designated as Parts 9, 10, 11, 12, 14, 16, 22, 23, 24, 31, 37, 43, 44, 45, 46, 47 and 48 on Plan 64R-14051, which rights-of-way in the nature of easements are as follows:

- (a) in, over, along and upon Part of Lot 18, Concession 1, East of Yonge Street, and Part of said Lot 18, Plan 2400 designated as Parts 3 and 4 on said Plan 64R-14051, for the purposes of vehicular and pedestrian ingress and egress;
- (b) a right of support in and through Part of Lot 18, Concession 1, East of Yonge Street and Part of Lot 18, Plan 2400, designated as Parts 33, 34 and 49 on said Plan 64R-14051; and
- (c) in and through Part of Lot 18, Concession 1, East of Yonge Street, designated as Part 7 on said Plan 64R-1 4051 for the free, unimpeded and unobstructed flow of air through the air intake or air exhaust shafts situate within the said Part 7.

SCHEDULE "B" - FLOOR PLAN



SCHEDULE "C" – SPECIAL PROVISIONS

"Required Conditions" means:

- (a) the Tenant has paid all Rent as and when due and punctually observed and performed the covenants and obligations of the Tenant under this Lease; and
- (b) no Transfer of this Lease has occurred and The Canadian Bioceutical Corporation is in physical occupation of and actively conducting business in the whole of the Leased Premises.

1. Fixturing Period

Provided: (i) the Tenant has executed this Lease in a form acceptable to the Landlord; (ii) the Tenant has provided the Landlord with evidence of insurance in accordance with the terms of this Lease; (iii) the Tenant has provided all deposits and other security required under this Lease; and (iv) the Landlord's Work, if any, has been substantially completed and written notice has been given to the Tenant of such (the "**Conditions**"), the Tenant shall have access to the Leased Premises from the day immediately following the date the Conditions have been met (the "**Possession Date**") to the day immediately prior to the Commencement Date (the "**Fixturing Period**") for the purpose of carrying out and completing the Tenant's Work and carry on business from the Leased Premises. The Landlord may also have access to the Leased Premises during the Fixturing Period in order to complete the Landlord's Work.

During the Fixturing Period, the Tenant shall not be required to pay Minimum Rent, Taxes or Operating Costs provided that the Tenant shall pay for all janitorial, utilities, security and other extraordinary costs upon commencing to carry on business from the Leased Premises. In all other respects all terms of this Lease shall apply during the Fixturing Period including, without limitation, the Tenant's obligation to obtain insurance and to pay for utilities consumed in or provided to the Leased Premises, business taxes (if applicable), the provisions relating to the liability of the Tenant for its acts and omissions, and the acts and omissions of its servants, employees, agents, contractors, invitees, concessionaires and licensees and the indemnification of the Landlord and the Management Company.

2. Tenant Allowance

Provided the Required Conditions have been met, the Landlord shall pay to the Tenant a cash allowance (the "**Allowance**") equal to Twelve Dollars (\$12.00) per square foot of the Rentable Area of the Leased Premises, plus applicable taxes, to be applied towards the actual cost of construction of Leasehold Improvements within the Leased Premises. The Allowance shall be paid to the Tenant by the Landlord sixty (60) days after the Commencement Date, provided that the Tenant has fully complied with all of the following:

- (a) the Tenant has completed the Leased Premises for occupancy in accordance with the Tenant's obligations under this Lease and the Tenant's plans and specifications approved by the Landlord;
- (b) the Tenant has secured all applicable completion and occupancy certificates for the Leased Premises;
- (c) the Tenant has provided the Landlord with a Statutory Declaration stating that there are no liens or encumbrances affecting the Leased Premises or the Building, in respect of work, services, materials and equipment relating to the Leased Premises and that the Tenant's designers, contractors, sub-contractors, workers and suppliers of materials and equipment (if any) have been paid in full for all work and services performed and materials and equipment supplied by them on or to the Leased Premises;
- (d) the Tenant has provided the Landlord with copies of all costs actually expended by the Tenant for completion of the Tenant's Work;
- (e) the Tenant has executed and delivered this Lease in form acceptable to the Landlord; and

- (f) the Tenant or Tenant's contractor undertakes to the Landlord that the Tenant or Tenant's contractor will complete and close-out the Building Permit issued by the Municipality with regard to the work and rectify any deficiencies revealed at the Tenant's sole cost upon final inspection by the Municipal Building Inspector which may be required to close-out such Building Permit.

If the amount of the Allowance exceeds the costs incurred by the Tenant in respect of the Tenant's Work, then the excess portion of the Allowance will be applied by the Landlord against the Rent payable by the Tenant.

All charges for work performed by the Landlord on the Tenant's behalf will be deducted from the Allowance prior to payment by the Landlord and if the Landlord's charges are in excess of the Allowance, the Tenant shall pay the excess on demand. Notwithstanding anything to the contrary in this Lease or any other agreement or under any statute or at law generally, if the Tenant or its parent corporation or any occupant of the Leased Premises takes the benefit of or is subject to any creditors' petition under any legislation for the protection of insolvent debtors, or if this Lease is terminated for any reason, that portion of the Allowance, plus applicable taxes, as remains unamortized (assuming a straight-line rate of amortization over the initial Term and a ten percent (10%) rate of interest calculated annually) as of the day before the date such filing is made (or termination date, as the case may be), shall be deemed to be outstanding and immediately payable as a debt to the Landlord as of such date. Any unused portion of the Allowance shall be applied to the first Rent owed.

3. Temporary Premises

Prior to the Possession Date of the Leased Premises, and provided: (i) the tenant has executed this Lease in a form acceptable to the Landlord; (ii) the Tenant has provided the Landlord with evidence of insurance in accordance with the terms of this Lease; and (iii) the Tenant has provided all deposits and other security required under this Lease (the "**Temporary Premises Conditions**"), the Tenant shall be given access to Suite 707 of the Building (the "**Temporary Premises**"), comprising a deemed area of four thousand, five hundred and fifty-four (4,554) square feet, from the day immediately following the date the Temporary Premises Conditions have been met (the "**Temporary Premises Possession Date**") to the day immediately prior to the Possession Date for the Leased Premises (the "**Temporary Premises Occupancy Period**") for the purpose of carrying on business from the Temporary Premises. The Landlord may also have access to the Temporary Premises during the Temporary Premises Occupancy Period in order to provide leasing tours as it deems necessary.

The Tenant agrees to accept the Temporary Premises in its current as-is, where-is condition and the Landlord is not required to perform any work whatsoever to the Temporary Premises. During the Temporary Premises Occupancy Period, the Tenant shall not be required to pay Minimum Rent, Taxes or Operating Costs provided that the Tenant shall pay for all janitorial, utilities and other extraordinary costs upon possession of the Temporary Premises. In all other respects all terms of this Lease shall apply during the Temporary Premises Occupancy Period, including, without limitation, the Tenant's obligation to obtain insurance and to pay for utilities consumed in or provided to the Temporary Premises. Utilities have been estimated for the 2017 calendar year at One Dollar and Seventy Cents (\$1.70) per square foot.

At the expiry of the Temporary Premises Occupancy Period, the Tenant shall surrender the Temporary Premises to the Landlord in the same condition as it was delivered to the Tenant with all Tenant's furniture, cabling, fixtures and equipment removed from the Temporary Premises, and left in a clean and broom swept manner. Tenant shall repair, or cause to be repaired, any damage to the Temporary Premises caused by its occupancy and/or removal of its fixtures, furniture and equipment at the end of the Temporary Premises Occupancy Period.

4. Tenant's Work

The Tenant will complete, at its sole cost, all work other than the Landlord's Work, if any, within the Leased Premises. All Tenant's Work prior to and following the Commencement Date (the "**Tenant's Work**") shall be completed in accordance with this Lease and conducted as follows:

- (i) in a good and workmanlike manner by contractors approved by the Landlord in advance;

- (ii) in accordance with professionally prepared plans and specifications approved by the Landlord prior to the commencement of any of the Tenant's Work and the Landlord's Design Criteria Manual for the Building. It is understood and agreed that the Landlord may withhold or condition its consent in its sole discretion if any work to be performed by the Tenant may affect the exterior aesthetics, structure, or the electrical, mechanical, lighting, heating, ventilating, air-conditioning, sprinkler, fire protection or any life- safety systems of the Building, and any such work, if approved by the Landlord, shall be performed at the Tenant's cost, by contractors designated by the Landlord;
- (iii) so as not to disturb or add to the Leased Premises, Building or Lands any hazardous building materials, defined and regulated as Designated Substances under the Occupational Health and Safety Act, or any other hazardous substances designated as such under applicable legislation. Any Tenant's Work that may impact friable or non-friable asbestos is to be handled in accordance with the procedures directed by the Landlord;
- (iv) if the Landlord and Tenant are performing work within the Leased Premises at the same time, the Tenant's contractors shall be subordinate to the Landlord's general contractor as required by applicable law and any additional associated cost to the Landlord shall be borne by the Tenant; and
- (v) the Tenant shall be responsible for obtaining all necessary permits and licenses, including close-out documents, from governmental authorities with respect to the Tenant's Work.

The Tenant shall pay: (A) all fees charged by the Landlord or its representatives or consultants in connection with (i) the Landlord's review of the Tenant's plans and specifications, and (ii) the Landlord's supervision of the Tenant's Work, and (B) all costs related to (i) building services provided during construction of the Tenant's Work (including but not limited to elevator access, utility consumption and garbage removal) and (ii) loading the Tenant's "as-built" drawings into the Landlord's plan management database (the "**Additional Charges**"). If the Tenant elects to use the Landlord's project manager or construction manager (the "**PM**") as its project manager for the Tenant's Work, the Tenant shall pay, in addition to the Additional Charges, a co-ordination fee to the PM at a commercially competitive rate. The Tenant shall ensure that there are no liens registered or claimed with respect to any part of the Tenant's Work.

5. Landlord's Work

The Tenant accepts the Leased Premises in its "as-is" condition as of January 25, 2017 save only that prior to the Possession Date, the Landlord will, at its expense on a "once only" basis and utilizing its choice of materials and contractors, substantially complete, to the extent that would reasonably allow the Tenant to commence its Tenant's Work in the Leased Premises, complete the work set out below:

- (a) the Landlord shall ensure heating, ventilation, and air-conditioning, base building lighting and electrical services serving the Leased Premises are in proper working order to base building standards;
- (b) the Landlord warrants to the best of its knowledge without having made any formal inquiry thereto that the Leased Premises in its "as is" condition as of January 25, 2017 is in compliance of applicable building codes

(collectively, the "**Landlord's Work**"). Any additional costs to the Landlord resulting from any changes to the Tenant's use or layout of the Leased Premises shall be at the Tenant's sole cost.

During the Tenant's work, any violations, structural faults, or items found not to be in compliance with the current building codes will be reported to the Landlord, at which point the Landlord will choose: (i) to correct the violation at the sole expense of the Landlord, and (ii) to allow the Tenant to remediate the fault, and be reimbursed by the Landlord for any and all costs of the repair or remediation. This excludes any violation or fault created by the Tenant's work.

6. Parking

The Tenant shall be entitled to have the use of three (3) unreserved parking spaces in the underground parking facilities of the Building, on a first come, first served basis, at the

Landlord's prevailing rate (currently One Hundred and Forty-Two Dollars (\$142.00) per stall per month, plus HST, but subject to change during the Term), and otherwise in accordance with the terms and conditions contained in this Lease. The Tenant must accept from the Landlord all the parking spaces to which it is entitled on the Temporary Premises Possession Date or forfeit the number it has not elected to take. The Tenant shall not assign, sublease, license or otherwise transfer the Tenant's entitlement to the parking spaces save and except in conjunction with a Transfer to which the Landlord has granted its consent.

The Landlord may, at the Landlord's sole discretion, grant to the Tenant, the use of additional parking stalls, at the Landlord's then prevailing rate which may change from time to time, on a month to month basis, terminable by either party on thirty (30) days notice and otherwise in accordance with the terms and conditions of this Lease.

The Tenant specifically covenants and agrees that the Landlord shall not be responsible for any damages whatsoever which may be caused to any Tenant's automobile, those of its employees, invitees and guests or contents while any such automobile is/are, or about the parking facilities. It is expressly agreed that the Tenant's automobiles are upon the parking facilities at the Tenant's sole risk and that the Landlord shall not be responsible for any theft, loss or damage to any such vehicle, accessories, extras or equipment, or to any goods, merchandise, effects, or contents contained therein, nor for damage or destruction by fire in whole or in part howsoever caused.

7. Additional Services

The Tenant shall pay to the Landlord the costs of all additional services provided at the Tenant's request or otherwise provided for by the Landlord, which are not included in Operating Costs, together with the Landlord's administration charge of fifteen percent (15%) of such costs. Such costs shall be deemed to be Additional Rent and shall be payable by the Tenant forthwith upon receipt of the Landlord's invoice.

8. Signage

- (1) The Tenant shall not paint, affix, inscribe, display or erect or cause to be painted, affixed, inscribed, displayed or erected any sign, notice, picture, lettering, insignia, decoration or advertising material of any kind anywhere outside the Leased Premises or upon the surfaces of any window, wall or entrance or exit door to the Leased Premises or anywhere within the Leased Premises so as to be visible from outside the Leased Premises. All signage shall be affixed by the Landlord in accordance with subparagraph (2).
- (2) The Landlord shall affix or cause to be affixed to or near the entrance door of the Leased Premises (the exact location to be mutually agreed upon by the Landlord and Tenant), at the Tenant's expense, an appropriate identification sign indicating the Tenant's name. The exact nature of the identification in respect of such matters as size, location, design, colour and type of print must conform to the Landlord's prescribed uniform lettering and sign policy. The Tenant shall maintain such signage at its own expense.
- (3) Notwithstanding the foregoing, the Landlord shall, at its sole expense, on a once only basis, prior to or shortly after the Commencement Date, (i) insert one (1) entry identifying the Tenant's name in the directory board for the Building, and (ii) install on or near the entrance door of the Leased Premises a sign bearing the name of the Tenant, each in accordance with the Landlord's prescribed uniform lettering and sign policy.
- (4) Publication or use by the Landlord, or its representatives, of any photograph, print, video or film of the Building, Leased Premises or Lands, for advertising or promotion of same, and which show the Tenant's trade names, trademarks, logos or other identifying marks (the "**Marks**"), shall be deemed not to infringe any Tenant's rights in respect of such Marks, and shall not require Tenant's consent to use of the Marks nor entitle the Tenant to any compensation therefor.

SCHEDULE "D" – RULES AND REGULATIONS

1. Refuse

(a) All trash, rubbish, waste material and other garbage shall be kept within the Leased Premises until the day of removal, such removal to be at the expense of the Tenant on a regular basis as determined by the Landlord.

(b) The Tenant shall not burn any garbage in or about the Leased Premises or anywhere within the Building or on the Lands.

(c) If the Tenant's garbage is of a deteriorating nature, creating offensive odours, the Tenant shall utilize and maintain at its cost and expense refrigerated facilities as required by the Landlord.

(d) In the event the Landlord considers necessary, or otherwise consents in writing to, the placing of the Tenant's garbage outside the Leased Premises, such garbage shall be placed by the Tenant in containers approved by the Landlord but provided at the Tenant's expense and kept at a location designated by the Landlord.

2. Overloading Floors

The Tenant covenants that it will not bring upon the Leased Premises or any part thereof any machinery, equipment, article or thing that, by reason of its weight, size, configuration, operation or otherwise, might damage the Leased Premises and will not at any time overload or damage the floors of the Leased Premises.

3. Electrical Equipment

(a) The Tenant shall at its sole cost and expense, install and maintain all necessary lighting fixtures electrical equipment and wiring therefor.

(b) If the Tenant requires any electrical equipment which might overload the electrical facilities in the Leased Premises, the Tenant shall submit to the Landlord plans and specifications for works required to install and supply additional electrical facilities or equipment to prevent such overloading, and shall obtain the Landlord's written approval to perform such works, which shall meet all the applicable regulations or requirements of any government or other competent authority, the Association of Insurance Underwriters and the Landlord's insurers, all at the sole cost and expense of the Tenant.

4. Plumbing

No plumbing facilities shall be used for any purpose other than that for which they were designed and no foreign substance of any kind shall be thrown therein, and the expense of any breakage, stoppage or damage resulting from a violation of this provision by the Tenant or by any persons for whom the Tenant is responsible shall be borne by the Tenant. No garburators shall be installed by the Tenant without the prior written approval of the Landlord.

5. HVAC Operation

(a) The Tenant shall operate or permit to be operated its own heating, ventilating or air-conditioning equipment, if any, in such manner that there will be no direct or indirect appropriation of heating or cooling from other portions of the Building.

(b) The Tenant shall not leave open any doors or windows to the exterior of the Building to the extent that it would adversely affect the performance of any heating, ventilating or air-conditioning equipment in the Building.

6. Signage

Sign, shop drawings, clearly indicating size, finishes, colours and graphics are to be submitted for written approval by Landlord prior to installation by Tenant. At Landlord's option, any sign installed without the Landlord's prior written approval may be removed immediately at the Tenant's expense and risk.

7. No Solicitation

The Tenant, or the Tenant's employees and agents, shall not solicit business in the parking areas or other Common Areas and Facilities and shall not distribute any handbills or other advertising matter therein.

8. Pests

Should the Leased Premises become infested with rodents, vermin or the like, the Tenant shall forthwith remedy the same and shall use, at the Tenant's cost, such pest extermination contractor as the Landlord may direct and at such intervals as the Landlord may require as being necessary by reason of the conditions in the Leased Premises.

9. Notice of Accident, Defects

The Tenant shall give immediate notice to the Landlord in case of fire, burglary or accident in the Leased Premises or of defects therein or to any fixtures or equipment thereon.

10. Emergency Contacts

The Tenant shall provide the Landlord with the names, addresses and telephone numbers of two (2) authorized employees of the Tenant who may be contacted by the Landlord in the event of an emergency relative to the Leased Premises.

11. Hours of Operation

The Tenant will be open for business on such days and during such hours as established by the Landlord from time to time.

12. Further Rules and Regulations

For the general benefit and welfare of the Building and the tenants therein, the Landlord may amend these rules and regulations and the same shall be binding on the Tenant.

13. Employee Parking

The Tenant shall cause its employees to park only in those areas in the Building or on the Lands so designated by the Landlord. The Landlord reserves the right to remove any automobile which is infringing the Landlord's rules with respect to employee parking at the Tenant's cost.

14. Non-Smoking

There shall be no smoking allowed in any part of the Building, including the Leased Premises, and all public areas which shall include, but not be limited to, the washroom, elevators, elevator lobbies, common area hallways and stairwells.

15. Outside Areas

The Tenant shall not use any Common Areas and Facilities or other outside areas on the Lands for the storage of goods or other matters of any kind without the Landlord's prior written consent.

SCHEDULE "E" – OPTION TO EXTEND TERM

Provided the Required Conditions have been met, the Tenant will have a non-transferable right to extend the Term for one (1) period of five (5) years, upon written notice given to the Landlord at least nine (9) months but not more than fifteen (15) months prior to the expiry of the initial Term, failing which this option to extend shall be null and void. Upon exercising any option to extend, the Tenant shall have no further right to the extension option so exercised. Minimum Rent payable during the extension term shall be based upon the then-prevailing fair market net rental for similar premises similarly located.

If the parties cannot agree on the Minimum Rent payable during the extension term at least ninety (90) days prior to the expiry of the initial Term, then the Minimum Rent for such applicable extension of Term will be determined by binding arbitration in accordance with the Arbitration Act, 1991 (Ontario), as amended or replaced, using a single qualified arbitrator jointly selected by the parties within twenty (20) days after the start of the ninety (90) day period referred to above, failing which either party may apply to a court having jurisdiction to appoint a single arbitrator. Arbitration will be by written submission only. The decision of the arbitrator shall be binding upon the Landlord and Tenant and neither the Landlord nor Tenant shall have any right to appeal such decision. The cost of such arbitration shall be equally shared by the Landlord and the Tenant; however the Landlord and Tenant shall each be responsible for their own legal fees. If the parties fail to agree upon an arbitrator and neither makes an application to court to appoint an arbitrator as hereinbefore set forth, then this option to extend shall be null and void. If the arbitration decision has not been given prior to the start of the extension term, then from and after the first day of the extension term, the Tenant will pay Minimum Rent at the same rate payable in the last month of the Term and any necessary adjustments following the arbitration decision will be made retroactive to the first day of the extension term.

At the Landlord's option, the Tenant will execute a new net lease form for the extension term on the Landlord's standard net lease form for the Building currently in use at such time or an extension agreement, as prepared by the Landlord, to give effect to the extension term. Reference in this Lease to any rights to early occupancy or rent free periods, indemnities of the Landlord in favour of the Tenant or requirements on the Landlord's part to perform any work or to pay to the Tenant any construction allowance, inducement, loan or other amount in connection with this Lease or improvements installed in the Premises, shall not apply to the extension term, such rights, indemnities and requirements being deemed to have expired with the expiry of the initial Term of this Lease.

SCHEDULE "F" – RESTRICTED USES
INTENTIONALLY DELETED

SCHEDULE "G" – INDEMNITY AGREEMENT (OFFICE)
INTENTIONALLY DELETED

LEASE EXPANSION AND AMENDING AGREEMENT

This Agreement is made as of February 27, 2018

BETWEEN:

**INVESTORS GROUP TRUST CO. LTD.
AS TRUSTEE FOR INVESTORS REAL PROPERTY FUND**

(hereinafter referred to as "Investors")

OF THE FIRST PART

- and -

CR4 5255 YONGE INC.

(hereinafter referred to as "Crown")

OF THE SECOND PART

- and -

THE CANADIAN BIOCEUTICAL CORPORATION

(hereinafter referred to as the "Tenant")

OF THE THIRD PART

WHEREAS:

- A. By a lease dated March 24, 2017 (the "Lease") between Investors Group Trust Co. Ltd. As Trustee for Investors Real Property Fund ("Investors"), and the Tenant, Investors as original landlord leased unto the Tenant certain premises comprising approximately two thousand eight hundred and nineteen (2,819) square feet of Rentable Area designated as Suite 701 (the "Original Premises") on the seventh (7th) floor in the building municipally known as 5255 Yonge Street, City of Toronto, Province of Ontario (the "Building") for a term of three (3) years commencing on August 1, 2017 and expiring on July 31, 2020 (the "Original Premises Term"), under the terms and conditions therein set forth;
- B. On September 28, 2017, a portion of the interest in the lands and Building was transferred from Investors to Crown;
- C. Investors and Crown shall hereinafter be collectively referred to as the "Landlord";
- D. The Landlord herein is now the landlord under the Lease, and the Tenant named herein is the tenant under the Lease;
- E. The Landlord and Tenant have agreed to: (i) the Tenant leasing certain additional premises from the Landlord measuring approximately seven hundred and seventy three (773) square feet of Rentable Area designated as Suite 702 on the seventh (7th) floor in the Building for a term of six (6) months commencing on March 1, 2018 and expiring on August 31, 2018; and (ii) amend certain other provisions to the Lease under the terms and conditions hereinafter set forth; and
- F. All capitalized terms used but not defined herein shall have the meaning ascribed to such term in the Lease.

NOW THEREFORE WITNESSETH that in consideration of the sum of two dollars (\$2.00) paid by each party to the other (the receipt and sufficiency of which is hereby acknowledged) and in consideration of the covenants and agreements hereinafter set out, the parties agree as follows:

RECITALS

- 1. The parties hereby acknowledge, confirm and agree that the foregoing recitals are true in substance and in fact.


INITIALS
INVESTORS
TENANT

FIRST ADDITIONAL PREMISES

2. The Landlord hereby leases to the Tenant and the Tenant leases from the Landlord certain premises on the seventh (7th) floor in the Building measuring approximately seven hundred and seventy three (773) square feet of Rentable Area designated as Suite 702 (the "First Additional Premises"). An approximate layout to the First Additional Premises is shown in Schedule "A" attached hereto.

FIRST ADDITIONAL PREMISES TERM

3. The term with respect to the First Additional Premises shall be six (6) months commencing on March 1, 2018 and expiring on August 31, 2018 (the "First Additional Premises Term") under the terms and conditions contained herein and otherwise under the terms and conditions as contained in the Lease.

MINIMUM RENT TO FIRST ADDITIONAL PREMISES

4. The Tenant shall pay Minimum Rent to the Landlord for the First Additional Premises during the First Additional Premises Term by way of equal monthly instalments in advance on the first day of each month as follows:

Premises	Rental Period	Rate per square foot of Rentable Area per annum	Annual Minimum Rent	Monthly Minimum Rent
Suite 702	March 1, 2018 to August 31, 2018	\$18.50	\$14,300.50	\$1,191.71

ADDITIONAL RENT TO FIRST ADDITIONAL PREMISES

5. In addition to the payment of Minimum Rent, the Tenant shall pay to the Landlord during the First Additional Premises Term Additional Rent for the First Additional Premises in accordance with the Lease.

CONDITION OF FIRST ADDITIONAL PREMISES

6. The First Additional Premises shall be provided in an "as is, where-is" condition and the Tenant acknowledges that the Landlord shall not be obligated to complete any Landlord's work. Occupancy of the First Additional Premises by the Tenant shall be conclusive evidence against the Tenant that, at the time the Tenant assumed occupancy, the First Additional Premises were in good order and satisfactory condition, and that the Tenant has accepted it "as is, where is".

PERMITTED USE OF FIRST ADDITIONAL PREMISES

7. Article 9 (Use of Premises) to the Lease shall apply to the First Additional Premises during the First Additional Premises Term.

EARLY ACCESS TO FIRST ADDITIONAL PREMISES

8. Provided: (i) the Tenant has executed this Agreement in a form acceptable to the Landlord, and (ii) the Tenant has provided the Landlord with evidence of insurance with respect to the First Additional Premises in accordance with the terms of the Lease, the Tenant shall be granted access to the First Additional Premises up to and including February 28, 2018 and to occupy the First Additional Premises free from the obligations to pay Minimum Rent and Additional Rent (the "Early Access Period"). During the Early Access Period, the Tenant shall abide by all other terms and conditions as contained in the Lease and this Agreement.

IDENTIFICATION

9. The Landlord shall insert, at its sole expense, the Tenant's name in the Building directory in the Building's standard lettering and shall insert the Tenant's name on or adjacent to its entrance door of the First Additional Premises in the Building's standard lettering.



RESTORATION TO FIRST ADDITIONAL PREMISES

10. Article 17 (Fixtures and Alterations) to the Lease shall apply to the First Additional Premises during the First Additional Premises Term.

ASSIGNMENT AND SUBLETTING

11. Article 13 (Assignment and Subletting) to the Lease shall apply to the First Additional Premises during the First Additional Premises Term.

PARKING

12. The Tenant expressly acknowledges Section 6 (Parking) to Schedule "C" under the Lease shall only apply to the Original Premises during the Original Premises Term and shall not apply to the First Additional Premises during the First Additional Premises Term.

OPTION TO EXTEND

13. The Tenant expressly acknowledges Schedule "E" (Option to Extend) under the Lease shall only apply to the Original Premises during the Original Premises Term, and shall not apply to the First Additional Premises during the First Additional Premises Term. For clarity, the Tenant shall have no option to extend beyond expiration of the First Additional Premises Term with respect to the First Additional Premises.

HARMONIZED SALES TAX

14. Unless otherwise noted, amounts quoted in this Agreement do not include harmonized sales tax.

OBLIGATION OF THE FUND

15. This Agreement and the Lease shall not be personally binding upon and resort shall not be had nor shall recourse or satisfaction be sought from the private property of any of the unitholders of Investors Real Property Fund (the "Fund"), the trustee(s) of the Fund, the manager of the Fund or the officers, directors, employees or agents of the trustee(s) or manager of the Fund, it being intended and agreed that only the property of the Fund shall be bound by this Agreement and the Lease.

MISCELLANEOUS

16. (a) Schedule "A" forms a part of this Agreement.
- (b) The Tenant shall not disclose to any person the financial or any other terms of this Agreement, except to its professional advisors, consultants and auditors, in their capacity as such and except as otherwise required by law.
- (c) The Tenant represents and warrants that it has the full right, power and authority to enter into this Agreement.
- (d) The Landlord represents and warrants that it has the full right, power and authority to enter into this Agreement.
- (e) The parties confirm that the terms, covenants and conditions of the Lease remain unchanged and in full force and effect, save and except as modified by this Agreement and time shall continue to be of the essence. Should any provision of this Agreement be or become invalid, void, illegal or not enforceable, such provision shall be considered separate and severable from this Agreement and the remaining provisions shall remain in full force and be binding upon the parties hereto as though such provision had not been included.
- (f) This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns, as the case may be, but subject always to the provisions of the Lease.
- (g) This Agreement may be executed by counterparts and by electronic transmission, and if so executed, each document shall be deemed to be an original, shall have the same effect as if all parties had executed the same copy of this Agreement and all of which copies when taken together shall constitute one and the same document.

INITIALE

SIGNATURE ITALIAN

IN WITNESS WHEREOF the Landlord and Tenant have executed this Agreement as of the date first written above.

LANDLORD:

**INVESTORS GROUP TRUST CO. LTD.
AS TRUSTEE FOR INVESTORS REAL PROPERTY
FUND**

Per: [Signature] Andrei Novak
Name: Authorized Signatory
Position:

Per: [Signature]
Name: Susan Wardokker
Position: Assistant Secretary
I/We have authority to bind the corporation.

LANDLORD:

CR4 6255 YONGE INC.

Per: [Signature]
Name: James Christie
Position: A.S.O.

Per: [Signature]
Name: SCOTT WATSON
Position: A.S.O.

I/We have authority to bind the corporation.

TENANT:

THE CANADIAN BIOCEUTICAL CORPORATION

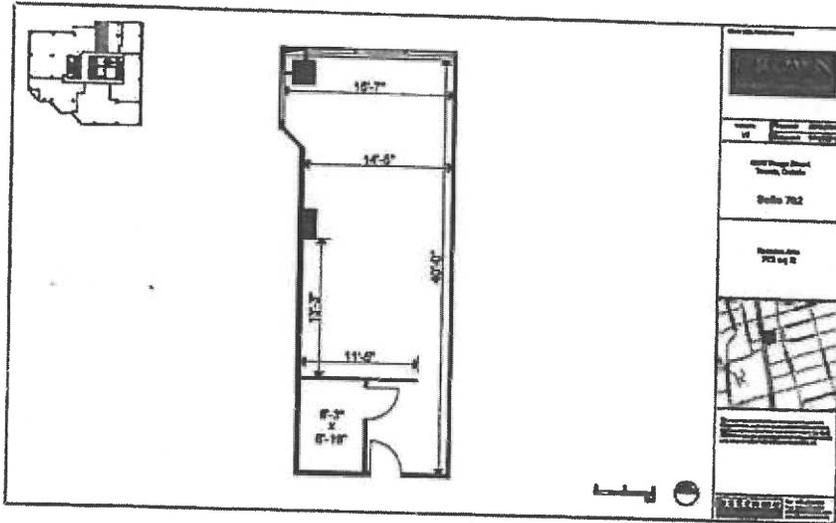
Per: [Signature]
Name: W. J. BOYKES
Position: CEO

Per: _____
Name:
Position:

I/We have authority to bind the corporation.



SCHEDULE "A"
APPROXIMATE LAYOUT TO SUITE 782



LEASE EXTENSION AND AMENDING AGREEMENT

This Agreement is made as of July 31, 2018

B E T W E E N:

**INVESTORS GROUP TRUST CO. LTD.
AS TRUSTEE FOR INVESTORS REAL PROPERTY FUND**

(hereinafter referred to as "Investors")

OF THE FIRST PART

- and -

CR4 5255 YONGE INC.

(hereinafter referred to as "Crown")

OF THE SECOND PART

- and -

MPX BIOCEUTICAL CORPORATION

(hereinafter referred to as the "Tenant")

OF THE THIRD PART

WHEREAS:

- A. By a lease dated March 24, 2017 (the "**Original Lease**") between Investors Group Trust Co. Ltd. As Trustee for Investors Real Property Fund ("Investors"), and The Canadian Bioceutical Corporation (the "**Original Tenant**"), Investors as original landlord leased unto the Original Tenant certain premises comprising approximately two thousand eight hundred and nineteen (2,819) square feet of Rentable Area designated as Suite 701 (the "**Original Premises**") on the seventh (7th) floor in the building municipally known as 5255 Yonge Street, City of Toronto, Province of Ontario (the "**Building**") for a term of three (3) years commencing on August 1, 2017 and expiring on July 31, 2020 (the "**Original Premises Term**"), under the terms and conditions therein set forth;
- B. On September 28, 2017, a portion of the interest in the lands and Building was transferred from Investors to Crown;
- C. Investors and Crown shall hereinafter be collectively referred to as the "**Landlord**";
- D. By a lease expansion and amending agreement dated February 27, 2018 (the "**First Lease Amendment**") between the Landlord and Tenant, the parties thereto agreed to: (i) the Tenant leasing certain additional premises from the Landlord measuring approximately seven hundred and seventy three (773) square feet of Rentable Area designated as Suite 702 on the seventh (7th) floor in the Building (the "**First Additional Premises**") for a term of six (6) months commencing on March 1, 2018 and expiring on August 31, 2018 (the "**First Additional Premises Term**"); and (ii) amend certain other provisions to the Original Lease under the terms and conditions therein set forth;
- E. The Original Lease and First Lease Amendment is hereinafter collectively referred to as the "**Lease**";
- F. By an articles of amendment dated November 1, 2017 and certified by the Ministry of Government Services in the Province of Ontario, the Original Tenant changed its name to the Tenant, as more particularly described therein;
- G. The Landlord and the Tenant have agreed to: (i) extend the First Additional Premises Term for a further period of one (1) year and eleven (11) months commencing on September 1, 2018 and expiring on July 31, 2020; and (ii) further amend the Lease on the terms and conditions hereinafter set forth; and
- H. All capitalized terms used but not defined herein shall have the meaning ascribed to such term in the Lease.



NOW THEREFORE WITNESSETH that in consideration of the sum of two dollars (\$2.00) paid by each party to the other (the receipt and sufficiency of which is hereby acknowledged) and in consideration of the covenants and agreements hereinafter set out, the parties agree as follows:

RECITALS

- The parties hereby acknowledge, confirm and agree that the foregoing recitals are true in substance and in fact.

ORIGINAL TENANT NAME CHANGE

- Pursuant to the Articles of Amendment dated November 1, 2017 and certified by the Ministry of Government Services in the Province of Ontario, the Original Tenant changed its name to the Tenant herein. A copy of the aforementioned document is attached hereto as Schedule "B". The Tenant covenants and agrees with the Landlord that it will at all times during the remainder of the Original Premises Term, First Additional Premises Term (as defined herein to this Agreement), and any extensions thereof, pay all rental payments reserved by the Lease and all other payments covenanted to be paid by the Original Tenant therein at the time and in the manner provided for in the Lease, and will observe and perform all of the terms, covenants, conditions, and agreements contained in the Lease.

CERTIFICATE OF INSURANCE

- As of the date of this Agreement, the Tenant shall provide an updated certificate of insurance to the Landlord and maintain during the remainder of the Original Premises Term, First Additional Premises Term, First Additional Premises Extended Term, and any extensions thereof, in the name of the Tenant with "Additional Insured" entities as required by the Landlord, all in accordance with Section 12.2 (Tenant's Insurance) under the Lease.

FIRST ADDITIONAL PREMISES

- Suite 702 on the seventh (7th) floor of the Building measuring approximately seven hundred and seventy-three (773) square feet of Rentable Area with its approximate layout shown in Schedule "A" attached hereto.

FIRST ADDITIONAL PREMISES EXTENDED TERM

- The First Additional Premises Term shall be extended for a further term of one (1) year and eleven (11) months commencing on September 1, 2018 and expiring on July 31, 2020 (the "First Additional Premises Extended Term") under the terms and conditions contained herein and otherwise under the terms and conditions as contained in the Lease.

MINIMUM RENT TO FIRST ADDITIONAL PREMISES

- The Tenant shall pay Minimum Rent to the Landlord for the First Additional Premises during the First Additional Premises Extended Term by way of equal monthly instalments in advance on the first day of each month as follows:

Premises	Rental Period	Rate per square foot of Rentable Area per annum	Annual Minimum Rent	Monthly Minimum Rent
Suite 702 (Approx. 773 s.f.)	September 1, 2018 to July 31, 2020	\$18.50	\$14,300.50	\$1,191.71

ADDITIONAL RENT TO FIRST ADDITIONAL PREMISES

- In addition to the payment of Minimum Rent, the Tenant shall pay to the Landlord during the First Additional Premises Extended Term Additional Rent for the First Additional Premises in accordance with the Lease.



CONDITION OF FIRST ADDITIONAL PREMISES

8. Save and except for Section 9 herein, the First Additional Premises shall be provided in an "as is, where-is" condition and the Tenant acknowledges that the Landlord shall not be obligated to complete any Landlord's work.

LANDLORD'S TURNKEY

9. Provided the Tenant is not in default under the Lease, the Landlord shall, at its expense to a maximum of Five Dollars (\$5.00) per square foot of Rentable Area (the "Capped Amount"), provide and install new laminate flooring throughout the First Additional Premises and use its best efforts to match the existing flooring to the Original Premises as closely as possible based on base Building materials and standards of the Building (the "Tenant Improvements"). Should the tenant improvement exceed the Capped Amount of Five Dollars (\$5.00) per square foot of Rentable Area, the Tenant shall be solely responsible for any additional costs incurred above the Capped Amount upon receipt of Landlord's invoice. Provided the Landlord and Tenant have mutually agreed to a schedule to allow the Landlord to commence the Tenant Improvements, the Landlord agrees to use commercially reasonable efforts to complete the Tenant Improvements by August 31, 2018.

SECURITY DEPOSIT

10. As of the date of this Agreement first written above, the Tenant acknowledges eight thousand and five hundred dollars (\$8,500.00), inclusive of harmonized sales tax, is held by Landlord as a security deposit for the full and faithful performance by Tenant of all of the terms, covenants, and conditions of the Lease and this Agreement.

HARMONIZED SALES TAX

11. Unless otherwise noted, amounts quoted in this Agreement do not include harmonized sales tax.

OBLIGATION OF THE FUND

12. This Agreement and the Lease shall not be personally binding upon and resort shall not be had nor shall recourse or satisfaction be sought from the private property of any of the unitholders of Investors Real Property Fund (the "Fund"), the trustee(s) of the Fund, the manager of the Fund or the officers, directors, employees or agents of the trustee(s) or manager of the Fund, it being intended and agreed that only the property of the Fund shall be bound by this Agreement and the Lease.

ALL OTHER PROVISIONS

13. All other provisions of the Lease are amended accordingly to give effect to the provisions of this Agreement. Except as amended herein or superseded hereby, the terms, covenants and conditions contained in the Lease continue in full force and effect and apply to this Agreement, *mutatis mutandis*.

MISCELLANEOUS

14. (a) Schedules "A" and "B" form a part of this Agreement.
- (b) The Tenant shall not disclose to any person the financial or any other terms of this Agreement, except to its professional advisors, consultants and auditors, in their capacity as such and except as otherwise required by law.
- (c) The Tenant represents and warrants that it has the full right, power and authority to enter into this Agreement.
- (d) The Landlord represents and warrants that it has the full right, power and authority to enter into this Agreement.
- (e) The parties confirm that the terms, covenants and conditions of the Lease remain unchanged and in full force and effect, save and except as modified by this Agreement and time shall continue to be of the essence. Should any provision of this Agreement be or become invalid, void, illegal or not enforceable, such provision shall be considered



separate and severable from this Agreement and the remaining provisions shall remain in full force and be binding upon the parties hereto as though such provision had not been included.

(f) This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns, as the case may be, but subject always to the provisions of the Lease.

(g) This Agreement may be executed by counterparts and by electronic transmission, and if so executed, each document shall be deemed to be an original, shall have the same effect as if all parties had executed the same copy of this Agreement and all of which copies when taken together shall constitute one and the same document.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

SIGNATURES FOLLOW ON NEXT PAGE]



IN WITNESS WHEREOF the Landlord and Tenant have executed this Agreement as of the dates written below.

Dated the 3rd day of August 2018.

LANDLORD:

INVESTORS GROUP TRUST CO. LTD.
AS TRUSTEE FOR INVESTORS REAL PROPERTY
FUND

Per: Andrei Novak
Name: Andrei Novak
Position: Authorized Signatory

Per: Janet Rechik
Name: Janet Rechik
Position: Assistant Secretary

I/We have authority to bind the corporation.

Dated the 13th day of August 2018.

LANDLORD:

CR4 5255 YONGE INC.

Per: Scott Watson
Name: Scott Watson
Position: Authorized Signatory

Per: Les Miller
Name: Les Miller
Position: A.S.

I/We have authority to bind the corporation.

Dated the 7th day of AUGUST 2018.

TENANT:

MPX BIOCEUTICAL CORPORATION

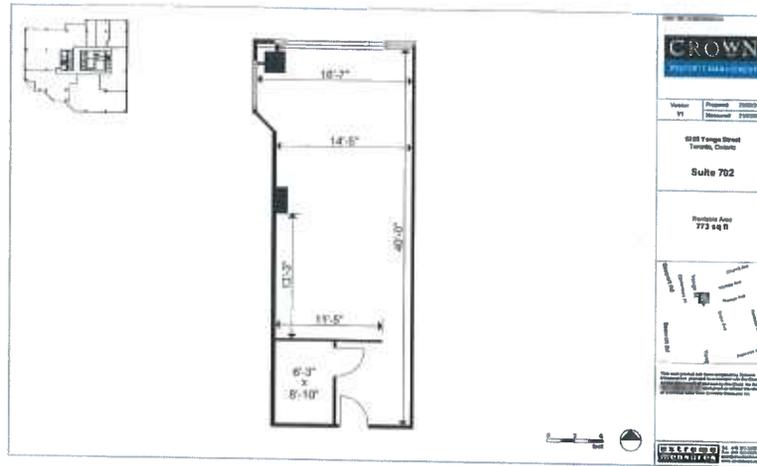
Per: DAVID MCLAREN
Name: DAVID MCLAREN
Position: CFO

Per: _____
Name: _____
Position: _____

I/We have authority to bind the corporation.



SCHEDULE "A"
APPROXIMATE LAYOUT TO FIRST ADDITIONAL PREMISES



SCHEDULE "B"

COPY OF ARTICLES OF AMENDMENT DATED NOVEMBER 1, 2017

For Ministry Use Only
À l'usage exclusif du ministère

Ministry of
Government Services
Ontario
CERTIFICATE
This is to certify that these
articles are effective on

Ministère des
Services gouvernementaux
CERTIFICAT
Ceci certifie que les présents
statuts entrent en vigueur le

Ontario Corporation Number
Numéro de la société en Ontario
000286079

NOVEMBER 01 NOVEMBRE 2017

Director / Directeur
Business Corporations Act / Loi sur les sociétés par actions

ARTICLES OF AMENDMENT
STATUTS DE MODIFICATION

Form 3
Business
Corporations
Act
Formula 3
Loi sur les
sociétés par
actions

1 The name of the corporation is (Set out in BLOCK CAPITAL LETTERS)
Dénomination sociale actuelle de la société (écrire en LETTRES MAJUSCULES SEULEMENT)

THE CANADIAN BIOCEUTICAL CORPO
RATION

2 The name of the corporation is changed to (if applicable): (Set out in BLOCK CAPITAL LETTERS)
Nouvelle dénomination sociale de la société (s'il y a lieu) (écrire en LETTRES MAJUSCULES SEULEMENT)

MPX BIOCEUTICAL CORPORATION

3 Date of incorporation/amalgamation
Date de la constitution ou de la fusion:
1974/04/02
(Year, Month, Day)
(année, mois, jour)

4 Complete only if there is a change in the number of directors or the minimum / maximum number of directors.
Règle remplir cette partie seulement si le nombre d'administrateurs ou si le nombre minimal ou maximal d'administrateurs a changé.

Number of directors is/are	minimum and maximum number of directors is/are
Nombre d'administrateurs	nombre minimum et maximum d'administrateurs
Number	minimum and maximum
Nombre	minimum et maximum
	or
	ou

The articles of the corporation are amended as follows:
Les statuts de la société sont modifiés de la façon suivante

INITIALS
LIBRARY / BUREAU

6. The amendment has been duly authorized as required by sections 168 and 170 (as applicable) of the *Business Corporations Act*.
La modification a été dûment autorisée conformément aux articles 168 et 170 (selon le cas) de la Loi sur les sociétés par actions.
7. The resolution authorizing the amendment was approved by the shareholders/directors (as applicable) of the corporation on
Les actionnaires ou les administrateurs (selon le cas) de la société ont approuvé la résolution autorisant la modification le

2017/10/30

(Year, Month, Day)
(année, mois, jour)

These articles are signed in duplicate.
Les présents statuts sont signés en double exemplaire.

THE CANADIAN BIOCEUTICAL CORPORATION

(Print name of corporation here Article 1 on page 1)
(Veuillez écrire le nom de la société de l'article un à la page une)

By: 

(Signature)
(Signature)

President, CEO, Director

(Designation of Office)
(fonction)



CONSENT TO ASSIGNMENT AND CHANGE OF CONTROL

THIS AGREEMENT made as of the 14th day of January, 2019.

AMONG :

MPX BIOCEUTICAL CORPORATION
(the “Assignor”)

OF THE FIRST PART

- and -

MPX INTERNATIONAL CORPORATION
(the “Assignee”)

OF THE SECOND PART

- and -

INVESTORS GROUP TRUST CO. LTD.
as trustee for
INVESTORS REAL PROPERTY FUND

and

CR4 5255 YONGE INC.

(collectively, the “Landlord”)

OF THE THIRD PART

WHEREAS:

A. By a lease dated March 24, 2017 (the “**Original Lease**”) between Investors Group Trust Co. Ltd., as Trustee for Investors Real Property Fund (“**Investors**”), and The Canadian Bioceutical Corporation (the “**Original Tenant**”), Investors, as original landlord, leased unto the Original Tenant certain premises comprising approximately two thousand eight hundred nineteen (2,819) square feet of Rentable Area designated as Suite 701 (the “**Original Premises**”) on the seventh (7th) floor in the building municipally known as 5255 Yonge Street, City of Toronto, Province of Ontario (the “**Building**”) for a term of three (3) years commencing on August 1, 2017 and expiring on July 31, 2020 (the “**Original Premises Term**”), under the terms and conditions therein set forth;

B. On September 28, 2017, a portion of the interest in the lands and Building was transferred from Investors to CR4 5255 Yonge Inc. (“**Crown**”);

C. Investors and Crown shall hereinafter be collectively referred to as the “**Landlord**”;

D. By a lease expansion and amending agreement dated February 27, 2018 (the “**First Lease Amendment**”) between the Landlord and the Original Tenant, the parties thereto agreed to: (i) the Original Tenant leasing certain additional premises from the Landlord measuring approximately seven hundred seventy-three (773) square feet of Rentable Area designated as Suite 702 on the seventh 7th floor in the Building (the “**First Additional Premises**”) for a term of six (6) months commencing on March 1, 2018 and expiring on August 31, 2018 (the “**First Additional Premises Term**”); and (ii) amend certain other provisions to the Original Lease under the terms and conditions therein set forth;

E. By an articles of amendment dated November 1, 2017 and certified by the Ministry of Government Services in the Province of Ontario, the Original Tenant changed its name to the Assignor, as more particularly described therein;

F. By a Lease Extension and Amending Agreement dated July 31, 2018 (the “**Second Lease Amending Agreement**”) between the Landlord and the Assignor, the parties thereto agreed to: (i) extend the First Additional Premises Term for a further period of one (1) year and eleven (11) months expiring on July 31, 2020 (the “**First Additional Premises Extended Term**”)

G. The Original Lease, the First Lease Amendment and the Second Lease Amendment is hereinafter collectively referred to as the “**Lease**”, the Original Premises Term, the First Additional Premises Term and the First Additional Premises Extended Term is hereinafter collectively referred to as the “**Term**”, and the Original Premises and the First Additional Premises is hereinafter collectively referred to as the “**Premises**”;

H. The Lease contains a covenant on the part of the Assignor not to assign the Lease (by change of control or otherwise) without the Landlord’s prior written consent;

I. The Assignor has agreed to assign the Lease to the Assignee, subject to obtaining the Landlord’s written consent to such assignment; and

J. The Assignor has applied to the Landlord for the Landlord’s consent to assign the Lease and the Landlord has agreed to grant its consent to the within assignment as of the 31st day of January, 2019 (the “**Effective Date**”) upon the terms and conditions hereof;

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the mutual covenants and agreements between the parties to this Agreement and the sum of **TWO DOLLARS (\$2.00)** now paid by each party to the other (the receipt and sufficiency of which is hereby acknowledged), the parties hereby agree as follows:

1. **Confirmation of Recitals**

The parties hereto confirm that the foregoing recitals are true in substance and in fact.

2. **Change of Control**

Assignor and Assignee represent and warrant to Landlord and it is a condition of Landlord’s consent that: (i) there will be no change in the business operations being conducted by the Assignee from the Premises from that currently of the Assignor under the Lease; (ii) there will be no depletion of Assignee’s assets as a result of any of the transactions giving rise to the transfer contemplated hereunder and/or the financing of the said transactions outside of the ordinary course for such transactions; and (iii) Assignee will continue to honour and comply with all of the terms, covenants and conditions of the Lease throughout the remainder of the Term and any renewals or extensions thereof as may be required of it as named tenant, notwithstanding the transfer contemplated herein.

3. **Assignment**

The Assignor hereby transfers, sets over and assigns unto the Assignee, as of and from the Effective Date, all of its right, title and interest in the Premises, together with the unexpired residue of the Term and all benefits and advantages to be derived from the Lease.

TO HAVE AND TO HOLD the same, subject to the payment of rent and the observance and performance of the tenant’s covenants and the conditions and agreements contained in the Lease.

4. **Assignor’s Covenants**

The Assignor covenants and agrees with the Assignee (it being acknowledged that by its execution hereof, the Landlord does not confirm) that:

(a) notwithstanding any act of the Assignor, the Lease is a good, valid and subsisting lease and the rent thereby reserved has been duly paid up to the Effective Date and the covenants and conditions therein contained have been duly observed and performed by the Assignor up to the Effective Date;

(b) the Assignor has good right, full power and absolute authority to assign its interest in the Premises and the Lease in the manner aforesaid, according to the true intent and meaning of this Agreement;

(c) subject to the payment of rent and to the observance and performance of the tenant's covenants and the conditions and agreements contained in the Lease, the Assignee may enter into and upon and hold and enjoy the Premises for the unexpired residue of the Term granted by the Lease for its own use and benefit without any interruption by the Assignor or by any person whomsoever claiming through or under the Assignor; and

(d) the Assignor will from time to time hereafter at the request and cost of the Assignee promptly execute such further assurances pertaining to the Premises as the Assignee shall reasonably require.

5. **Assignee's Covenants**

(a) The Assignee covenants with the Assignor that it will from time to time during the unexpired residue of the Term pay the rent and observe and perform the tenant's covenants and the conditions and agreements contained in the Lease and indemnify and save harmless the Assignor from all actions, suits, costs, losses, charges, demands and expenses for and in respect thereof.

(b) The Assignee covenants and agrees with the Landlord that it will at all times during the unexpired portion of the Term pay all rentals (including where applicable, Minimum or Basic Rent and Additional Rent) reserved by the Lease and all other payments covenanted to be paid by the tenant therein at the times and in the manner provided for in the Lease, and will observe and perform all of the terms, covenants, conditions and agreements contained in the Lease on the part of the tenant to be observed and performed.

6. **Landlord's Consent**

The Landlord consents to this assignment of the Lease from the Assignor to the Assignee upon and subject to the following terms and conditions:

(a) That this consent does not in any way derogate from the rights of the Landlord under the Lease nor operate to release the Assignor from its obligation to pay all of the rent from time to time becoming due under the Lease and from the observance and performance of all of the terms, covenants, conditions and agreements contained in the Lease on the part of the tenant to be observed and performed and notwithstanding the within assignment, the Assignor shall continue to remain liable for all of such covenants during the unexpired residue of the Term;

(b) That this consent does not constitute a waiver of the necessity for consent to any further assignment of the Lease (including any assignment, subletting, parting with or sharing possession of all or any part of the Premises) and any such further assignment shall be completed in accordance with the terms of the Lease;

(c) That this consent is given upon the express understanding that the Assignor and the Assignee shall hereafter be jointly and severally responsible for and shall save the Landlord harmless and indemnify it from and against all costs, including all legal costs, incurred by the Landlord in connection with the preparation of this Agreement and any additional documentation related thereto and the Landlord's consent to this assignment;

(d) That by giving its consent to the herein assignment of the Lease, the Landlord does not acknowledge nor approve of any terms of any agreement made between the Assignor and Assignee, except as set out herein;

(e) That the within assignment of Lease shall not be effective until a copy of this Agreement executed by the Landlord has been delivered to each of the Assignor and the Assignee;

(f) That when the Landlord has made a final determination of those costs and expenses in respect of which Additional Rent is payable, the Assignor and the Assignee shall pay to the Landlord upon demand any deficiency in respect of Additional Rent which may be owing by the Assignor as of the Effective Date;

(g) That the Assignor and the Assignee shall at their expense promptly execute such further assurances with respect to the Premises as the Landlord may reasonably require from time to time.

7. **Miscellaneous**

(a) This Agreement shall enure to the benefit of and be binding upon the parties hereto and the heirs, executors, administrators, successors and assigns of the Landlord and the heirs, executors, administrators and permitted successors and assigns of the Assignor and Assignee respectively.

(b) The parties hereto do in all other respects hereby confirm that the Lease is in full force and effect, unchanged and unmodified except in accordance with this Agreement. It is understood and agreed that all terms and expressions used in this Agreement have the same meaning as the terms and expressions used in the Lease. Provided that if the Landlord and Tenant are called "Lessor" and "Lessee" in the Lease, the words "Landlord" and "Tenant" as used herein shall mean respectively "Lessor" and "Lessee"; and if some expression other than "Premises" is used in the Lease to describe the premises demised and leased by the Landlord or Lessor to the Tenant or Lessee, the words "Premises" as used herein shall have the same meaning as such other expression.

(c) Assignor agrees to be responsible for and to promptly pay upon demand all costs, legal or otherwise, properly incurred by Landlord with respect to this consent to assignment and the preparation of this Agreement.

(d) 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.

(e) This Agreement may be executed in several parts of the same form and each such part as so executed shall together form one original document, and such parts shall be read together and shall have the same effect as if all of the signing parties hereto had executed one copy of this document. Delivery of this Agreement may be made by email in (.pdf) format and when so delivered, shall be as effective as if delivered and received personally.

- Execution Page to Follow -

IN WITNESS WHEREOF the parties hereto have duly executed this agreement as evidenced by their properly authorized officers as of the Effective Date.

**INVESTORS GROUP TRUST CO. LTD.
as trustee for
INVESTORS REAL PROPERTY FUND**

By: _____
Name:
Title:

By: _____
Name:
Title:
//We have authority to bind the Corporation

CR4 5255 YONGE INC.

By: _____
Name:
Title:

By: _____
Name:
Title:
//We have authority to bind the Corporation

MPX BIOCEUTICAL CORPORATION

By: _____
Name: *W. Scott Boyes*
Title: *Chairman, President & CEO*

By: _____
Name: *David McLaren*
Title: *CFO*
//We have authority to bind the Corporation

MPX INTERNATIONAL CORPORATION

By: _____
Name: *W. Scott Boyes*
Title: *President & Director*

By: _____
Name: *Jeremy Budd*
Title: *Secretary & Director*
//We have authority to bind the Corporation

LEASE SURRENDER, EXPANSION, EXTENSION AND AMENDING AGREEMENT

This Agreement is made as of April 8, 2019

BETWEEN:

**INVESTORS GROUP TRUST CO. LTD.
AS TRUSTEE FOR INVESTORS REAL PROPERTY FUND**

(hereinafter referred to as "Investors")

OF THE FIRST PART

- and -

CR4 5255 YONGE INC.

(hereinafter referred to as "Crown")

OF THE SECOND PART

- and -

MPX INTERNATIONAL CORPORATION

(hereinafter referred to as the "Tenant")

OF THE THIRD PART

WHEREAS:

- A. By a lease dated March 24, 2017 (the "Original Lease") between Investors Group Trust Co. Ltd. As Trustee for Investors Real Property Fund ("Investors"), and The Canadian Bioceutical Corporation (the "Original Tenant"), Investors as original landlord leased unto the Original Tenant certain premises comprising approximately two thousand eight hundred and nineteen (2,819) square feet of Rentable Area designated as Suite 701 (the "Original Premises") on the seventh (7th) floor in the building municipally known as 5255 Yonge Street, City of Toronto, Province of Ontario (the "Building") for a term of three (3) years commencing on August 1, 2017 and expiring on July 31, 2020 (the "Original Term"), under the terms and conditions therein set forth;
- B. On September 28, 2017, a portion of the interest in the lands and Building was transferred from Investors to Crown;
- C. Investors and Crown shall hereinafter be collectively referred to as the "Landlord";
- D. By an articles of amendment dated November 1, 2017 and certified by the Ministry of Government Services in the Province of Ontario, the Original Tenant changed its name to MPX Bioceutical Corporation ("MPX Bioceutical"), as more particularly described therein;
- E. By a lease expansion and amending agreement dated February 27, 2018 (the "First Lease Amendment") between the Landlord and the Original Tenant, the parties thereto agreed to: (i) the Tenant leasing certain additional premises from the Landlord measuring approximately seven hundred and seventy three (773) square feet of Rentable Area designated as Suite 702 on the seventh (7th) floor in the Building (the "First Additional Premises") for a term of six (6) months commencing on March 1, 2018 and expiring on August 31, 2018 (the "First Additional Premises Term"); and (ii) amend certain other provisions to the Original Lease under the terms and conditions therein set forth;
- F. By a lease extending and amending agreement dated July 31, 2018 (the "Second Lease Amendment") between the Landlord and MPX Bioceutical, the parties thereto agreed to: (i) extend the First Additional Premises Term by one (1) year and eleven (11) months commencing on September 1, 2018 and expiring on July 31, 2020, and (ii) amend certain other provisions to the Original Lease under the terms and conditions therein set forth;
- G. The Original Lease, the First Lease Amendment and the Second Lease Amendment are hereinafter collectively referred to as the "Lease";

INITIALES


H. By a consent to assignment agreement dated January 14, 2019 between MPX Bioceutical, as assignor, the Tenant, as assignee, and the Landlord, as landlord, the Landlord consented to MPX Bioceutical assigning its interest in the Lease to the Tenant under the terms and conditions therein set forth;

(Handwritten initials)
Initial

I. Tenant has informed Landlord that as of February 2019, Tenant no longer has a relationship with MPX Bioceutical. As such, Landlord has agreed to release MPX Bioceutical from its obligations under the Lease. As of and from the date of this agreement Tenant shall solely be liable for the fulfillment of the obligations of the Tenant under the Lease, as amended herein.

APRIL 30, 2019

J. The Landlord and the Tenant have agreed to: (i) the Tenant surrendering the First Additional Premises on ~~March 31, 2019~~; (ii) the Tenant leasing certain additional premises from the Landlord measuring approximately two thousand five hundred eighteen (2,518) square feet of Rentable Area designated as Suite 705 on the seventh (7th) floor of the Building for a term of five (5) years and three (3) months commencing on May 1, 2019 and expiring on July 31, 2024, (iii) extend the Original Term for a further period of four (4) years commencing on August 1, 2020 and expiring on July 31, 2024; and (iv) further amend the Lease on the terms and conditions hereinafter set forth, and

K. All capitalized terms used but not defined herein shall have the meaning ascribed to such term in the Lease.

NOW THEREFORE WITNESSETH that in consideration of the sum of two dollars (\$2.00) paid by each party to the other (the receipt and sufficiency of which is hereby acknowledged) and in consideration of the covenants and agreements hereinafter set out, the parties agree as follows:

RECITALS

1. The parties hereby acknowledge, confirm and agree that the foregoing recitals are true in substance and in fact.

CERTIFICATE OF INSURANCE

2. As of the date of this Agreement, the Tenant shall provide an updated certificate of insurance to the Landlord and maintain during the remainder of the Term, the First Extension Term, and any extensions thereof, in the name of the Tenant with "Additional Insured" entities as required by the Landlord, all in accordance with Section 12.2 (Tenant's Insurance) under the Lease.

SURRENDER OF FIRST ADDITIONAL PREMISES

3. The Tenant shall surrender the First Additional Premises to the Landlord on April 30, 2019 in accordance with the provisions of the Lease.

LEASE OF SECOND ADDITIONAL PREMISES

4. The Landlord hereby leases to the Tenant and the Tenant leases from the Landlord certain premises from the Landlord on the seventh (7th) floor of the Building measuring approximately two thousand five hundred eighteen (2,518) square feet of Rentable Area designated as Suite 705 (the "Second Additional Premises"). An approximate layout to the Second Additional Premises is shown in Schedule "A" attached hereto.

SECOND ADDITIONAL PREMISES TERM

5. The term with respect to the Second Additional Premises shall be five (5) years and three (3) months commencing on May 1, 2019 and expiring on July 31, 2024 (the "Second Additional Premises Term") under the terms and conditions contained herein and otherwise under the terms and conditions as contained in the Lease.

MINIMUM RENT TO SECOND ADDITIONAL PREMISES

6. The Tenant shall pay Minimum Rent to the Landlord for the Second Additional Premises during the Second Additional Premises Term by way of equal monthly installments in advance on the first day of each month as follows:

(Handwritten initials)
INITIALS

Premises	Rental Period	Rate per square foot of Rentable Area per annum	Annual Minimum Rent	Monthly Minimum Rent
Suite 705 (Approx. 2,518 s.f.)	May 1, 2019 to April 30, 2021	\$20.00	\$50,360	\$4,196.67
	May 1, 2021 to July 31, 2024	\$21.00	\$52,878	\$4,406.50

ADDITIONAL RENT TO SECOND ADDITIONAL PREMISES

7. In addition to the payment of Minimum Rent, the Tenant shall pay to the Landlord during the Second Additional Premises Term Additional Rent for the Second Additional Premises in accordance with the Lease.

CONDITION OF SECOND ADDITIONAL PREMISES

8. The Second Additional Premises shall be provided in an "as is, where-is" condition and the Tenant acknowledges that the Landlord shall not be obligated to complete any Landlord's work.

TERM EXTENSION

9. The Original Term is hereby extended for a further period of four (4) years commencing on August 1, 2020 and expiring on July 31, 2024 (the "First Extended Term") under the terms and conditions contained herein and otherwise under the terms and conditions as contained in the Lease.

MINIMUM RENT TO ORIGINAL PREMISES DURING FIRST EXTENDED TERM

10. The Tenant shall pay Minimum Rent to the Landlord for the Original Premises during the First Extended Term by way of equal monthly instalments in advance on the first day of each month as follows:

Premises	Rental Period	Rate per square foot of Rentable Area per annum	Annual Minimum Rent	Monthly Minimum Rent
Suite 701 (Approx. 2,818 s.f.)	August 1, 2020 to July 31, 2024	\$20.00	\$56,360	\$4,696.67

ADDITIONAL RENT TO ORIGINAL PREMISES

11. In addition to the payment of Minimum Rent, the Tenant shall pay to the Landlord during the First Extended Term Additional Rent for the Original Premises in accordance with the Lease.

CONDITION OF ORIGINAL PREMISES

12. Save and except for Section 13 herein, the Original Premises shall be provided in an "as is, where-is" condition and the Tenant acknowledges that the Landlord shall not be obligated to complete any Landlord's work.

LANDLORD'S TURNKEY

13. Provided the Tenant is not in default under the Lease and the selections are made from the Landlord's standard samples by April 12, 2019, the Landlord shall, at its expense to a maximum of Five Dollars (\$5.00) per square foot of Rentable Area of the Original Premises (the "Capped Amount"), provide and install new laminate flooring throughout the Original Premises and use its best efforts to match the existing flooring to the Original Premises as closely as possible based on base Building materials and standards of the Building (the "Tenant Improvements"). Should the cost of the Tenant Improvements exceed the Capped Amount, the Tenant shall be solely responsible for any additional costs incurred above the Capped Amount upon receipt of Landlord's invoice. Provided the Landlord and the Tenant have mutually agreed to a schedule to allow the Landlord to commence the

INITIALS

 DATE

Tenant Improvements, the Landlord agrees to use commercially reasonable efforts to complete the Tenant Improvements by July 1, 2019.

SECURITY DEPOSIT

14. As of the date of this Agreement first written above, the Tenant acknowledges eight thousand and five hundred dollars (\$8,500.00), inclusive of harmonized sales tax, is held by Landlord as a security deposit for the full and faithful performance by Tenant of all of the terms, covenants, and conditions of the Lease and this Agreement.

LANDLORD'S ADDRESS

15. The Landlord's address in Section 25.6(a) of the Lease is hereby deleted and the following substituted therefor:

Investors Group Trust Co. Ltd.
as trustee for Investors Real Property Fund and
CR4 5255 Yonge Inc.
c/o Crown Property Management Inc.
400 University Avenue, Suite 1900
Toronto, ON M5G 1S5

Attention: Leasing Department

INAPPLICABLE PROVISIONS

15. For clarity, the following provisions in the Original Lease either have no further applicability (whether as a result of having been performed or otherwise) or shall not apply to the Second Additional Premises Term or to the First Extended Term, as the case may be:

(a) Schedule "C" (Special Provisions):

- 1 (Fixturing Period)
- 2 (Tenant Allowance)
- 3 (Temporary Premises)
- 5 (Landlord's Work)

(b) Schedule "E" (Option to Extend Term)

Furthermore, any fixturing period or requirement in the Lease on the Landlord's part to do any work or to pay to the Tenant any construction allowance, inducement, loan or other amount in connection with the Lease or improvements installed in the Building or any rent-free period set out in the Lease shall not apply to the Second Additional Premises Term or to the First Extended Term.

HARMONIZED SALES TAX

17. Unless otherwise noted, amounts quoted in this Agreement do not include harmonized sales tax.

OBLIGATION OF THE FUND

18. This Agreement and the Lease shall not be personally binding upon and resort shall not be had nor shall recourse or satisfaction be sought from the private property of any of the unitholders of Investors Real Property Fund (the "Fund"), the trustee(s) of the Fund, the manager of the Fund or the officers, directors, employees or agents of the trustee(s) or manager of the Fund, it being intended and agreed that only the property of the Fund shall be bound by this Agreement and the Lease.

ALL OTHER PROVISIONS

19. All other provisions of the Lease are amended accordingly to give effect to the provisions of this Agreement. Except as amended herein or superseded hereby, the terms, covenants and conditions contained in the Lease continue in full force and effect and apply to this Agreement, *mutatis mutandis*.

MISCELLANEOUS



20. (a) Schedule "A" forms a part of this Agreement.
- (b) The Tenant shall not disclose to any person the financial or any other terms of this Agreement, except to its professional advisors, consultants and auditors, in their capacity as such and except as otherwise required by law.
- (c) The Tenant represents and warrants that it has the full right, power and authority to enter into this Agreement.
- (d) The Landlord represents and warrants that it has the full right, power and authority to enter into this Agreement.
- (e) The parties confirm that the terms, covenants and conditions of the Lease remain unchanged and in full force and effect, save and except as modified by this Agreement and time shall continue to be of the essence. Should any provision of this Agreement be or become invalid, void, illegal or not enforceable, such provision shall be considered separate and severable from this Agreement and the remaining provisions shall remain in full force and be binding upon the parties hereto as though such provision had not been included.
- (f) This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns, as the case may be, but subject always to the provisions of the Lease.
- (g) This Agreement may be executed by counterparts and by electronic transmission, and if so executed, each document shall be deemed to be an original, shall have the same effect as if all parties had executed the same copy of this Agreement and all of which copies when taken together shall constitute one and the same document.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

SIGNATURES FOLLOW ON NEXT PAGE]

INITIALS

DATE

IN WITNESS WHEREOF the Landlord and Tenant have executed this Agreement as of the dates written below.

Dated the 24 day of APRIL, 2019.

LANDLORD:

INVESTORS GROUP TRUST CO. LTD.
AS TRUSTEE FOR INVESTORS REAL PROPERTY FUND

Per: [Signature]
Name: Andrei Novak
Position: Authorized Signator.

Per: [Signature]
Name: Janet Rechik
Position: Assistant Secretary

I/We have authority to bind the corporation.

Dated the 8 day of April, 2019.

LANDLORD:

CR4 5255 YONGE INC.

Per: [Signature]
Name: Les Miller
Position: A.S.O

Per: [Signature]
Name: Scott Watson
Position: Authorized Signatory

I/We have authority to bind the corporation.

Dated the 7 day of April, 2019.

TENANT:

MPX INTERNATIONAL CORPORATION

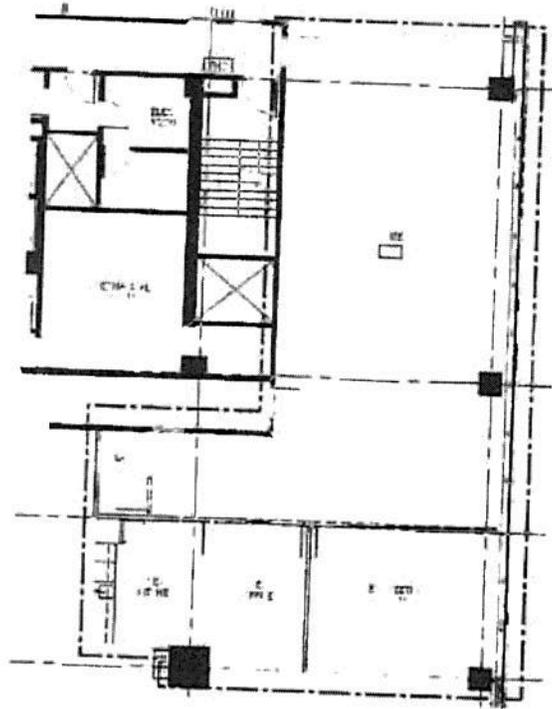
Per: [Signature]
Name: Sherry S. Burt
Position: Executive Vice President, General Counsel & Corporate Secretary

Per: _____
Name: _____
Position: _____

I/We have authority to bind the corporation.



SCHEDULE "A"
APPROXIMATE LAYOUT TO SECOND ADDITIONAL PREMISES



INITIALS
[Signature]
DRAWN BY

...

**THIS IS EXHIBIT "S" REFERRED TO IN THE
AFFIDAVIT OF JEREMY BLUMER SWORN
THE 25TH DAY OF JULY, 2022**

A handwritten signature in black ink, appearing to be 'TG' with a long horizontal stroke extending to the right.

THOMAS GRAY
A Commissioner for taking affidavits, etc.



LEASE

BETWEEN:

KRP PROPERTIES
a division of Wesley Clover International Corporation

AND

MPX INTERNATIONAL CORPORATION

Dated: April 12, 2019
Leased Premises: 555 Legget Drive, Tower B, Suite 536, Ottawa, ON K2K 2X3





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THIS INDENTURE made this 12th day of April, 2019.

BETWEEN:

KRP PROPERTIES
a division of Wesley Clover International Corporation

(the "Landlord")

AND:

MPX INTERNATIONAL CORPORATION

(the "Tenant")

WITNESSETH that in consideration of the rents, covenants, conditions and agreements herein contained, the Landlord and the Tenant covenant and agree as follows:

1.00 LEASED PREMISES

The Landlord leases to the Tenant, and the Tenant leases from the Landlord, all those premises consisting of One Thousand Four Hundred and Three (1,403) certified rentable square feet of space located on the fifth (5th) floor, Suite 536 (the "Leased Premises") of the building known municipally as 555 Legget Drive, Tower B, in the City of Ottawa (the "Building"), which said building is erected on the lands (the "Lands") described in Schedule A attached hereto. The Leased Premises are more particularly outlined in bold and hatched on the floor plan attached hereto as Schedule B.

1.01 ADDITIONAL DEFINITIONS

For the purposes of this Lease and any additions or amendments thereto:

- (a) "Additional Rent" **has the meaning** set out in clause 3.02(a);
- (b) "Affiliate(s)" **has the meaning specified in the** *Canada Business Corporations Act*;
- (c) "Alterations" has the meaning set out in clause 7.19;
- (d) "Annual Rent" **has the meaning set out in clause 3.00;**
- (e) "ASPE" **means the accounting standards** for private enterprises in Canada that are recognized as being generally accepted in Canada from time to time as set out in the Canadian Institute of Chartered Accountants handbook, consistently applied;
- (f) "Authorities" **has the meaning set out in clause 7.22;**
- (g) "Business Day(s)" means any day which is not a Saturday, Sunday or a day observed as a holiday under the applicable laws of the Province of Ontario and/or Canada;
- (h) "Commencement Date" **has** the meaning set out in clause 2.00;
- (i) "Common Area(s)" means at any time those portions of the Lands and Building not leased or designated for lease to tenants but provided to be used in common by (or by the sublessees, agents, employees, customers or licensees of) the Landlord, Tenant and other tenants of the Building, whether or not they are open to the general public, and shall include any fixtures, chattels, systems,

decor, signs, facilities or landscaping contained in those areas or maintained or used in connection with them, and shall be deemed to include the Parking Facilities, city sidewalks adjacent to the Lands and any pedestrian walkway system (either above or below ground), park, or other public facility in respect of which the Landlord is from time to time subject to obligations arising from the Lands and Building;

- (j) **"Extra Services" has the meaning set out in clause 3.02(b);**
- (k) "herein", "hereof", "hereby", "hereunder", "hereto", "hereinafter", and similar expressions refer to this Lease and not to any particular paragraph, section or other portion thereof, unless there is something in the subject matter or context inconsistent therewith;
- (l) "Improvements" means all improvements located on the Lands, including the Building, the parking lot and/or structure (if applicable) servicing the Building and other facilities and physical structures which are for the use of occupants of the Building;
- (m) **"Information" has the meaning set out in clause 36.00;**
- (n) **"Laws" has the meaning set out in clause 7.22;**
- (o) **"Leasehold Improvements" means all alterations, additions, fixtures, improvements, renovations, expansions, upgrades or conversions in or serving the Leased Premises made, erected or installed from time to time by or on behalf of the Tenant and/or any prior occupant. Leasehold Improvements include, without limitation, any installation, upgrading, modification or removal of interior walls, wiring, mechanical and electrical, partitions (however affixed and whether or not moveable), floor coverings, ceiling, wall coverings, painting, doors and frames, millwork, hardware, access controls, custom signage, lights and Building standard window coverings;**
- (p) **"Management Fee" shall be fifteen percent (15%);**
- (q) **"Monthly Rent" has the meaning set out in clause 3:01;**
- (r) "Normal Business Hours" means the hours from 8:00 a.m. to 6:00 p.m. on Business Days;
- (s) **"Operating Costs" has the meaning set out in clause 5:00;**
- (t) **"Permitted Transfer" means an assignment of this Lease, or sublease of all or a portion of the Leased Premises, to any of the following (each, a "Permitted Transferee"): 1) an Affiliate of the Tenant who can provide the same or better quality of financial covenant; or 2) a purchaser of all of the assets, or all of the shares, of the Tenant who can provide the same or better quality of financial covenant; or 3) any corporation into which or with which the Tenant has amalgamated, merged or consolidated;**
- (u) **"Reinstatement Costs" has the meaning set out in clause 7.24;**
- (v) "Property" means the Building, Lands and all the Improvements on the Lands;
- (w) **"Tax" has the meaning set out in clause 4.03;**
- (x) "Tenant's Proportionate Share" means a fraction having as its numerator the total rentable square feet of the Leased Premises and

as its denominator the total rentable square feet of the Building, provided the **Tenant's Proportionate Share** may be varied based on the actual area of the Leased Premises and Building as certified by the Landlord's architect;

- (y) "Term" shall have the meaning set out in clause 2.00;
- (z) "Trade Fixtures" means trade fixtures determined at common law and includes the personal chattels installed during the Fixturing Period (if any), at the Commencement Date, or during the Term, or on behalf of the Tenant, in, on or which service the Leased Premises, for the sole purpose of the Tenant carrying on its business in the Leased Premises pursuant to clause 7.03 (*use clause*) hereof, **including humidification systems specifically for the Tenant's use**, and which Trade Fixtures the Tenant is permitted to remove only to the extent permitted by the terms of this Lease, however Trade Fixtures do not include Leasehold Improvements or any inventory of the Tenant.

2.00 TERM

To have and to hold the Leased Premises for and during the term of three (3) years (the "Term") commencing on July 1, 2019 (the "Commencement Date"), and ending on June 30, 2022, unless terminated earlier pursuant to the provisions of this Lease.

2.01 INABILITY TO GIVE OCCUPANCY

It is hereby agreed that if the Landlord is unable to deliver vacant possession of all or part of the Leased Premises on the Commencement Date by reason of the Leased Premises or the Building being uncompleted, or by reason of any previous tenant or occupant overholding (but not by reason of circumstances beyond the Landlord's control or by reason of the failure of the Tenant to complete its Leasehold Improvements herein or by reason of the Tenant failing on or before the date occurring twelve (12) weeks prior to the Commencement Date to supply all necessary approvals and specifications which the Landlord requires in order to complete the Leasehold Improvements herein,) the Landlord shall diligently exercise all of its rights to obtain completion and vacant possession of all or part of the Leased Premises and the Annual Rent and Additional Rent payable hereunder shall abate at a rental per day equal to 1/365th of the Annual Rent payable until such completion or vacant possession is obtained but the Landlord shall not be liable to the Tenant for damages of any nature whatsoever and this Lease shall continue in full force and effect subject only to the abatement of rent as aforesaid. In the event that the Landlord is unable to deliver vacant possession of all or part of the Leased Premises on the Commencement Date, then the Term shall be delayed (and the Commencement Date and expiry date extended) by the number of days of delay.

2.02 FIXTURING PERIOD

The Landlord acknowledges and agrees that the Tenant shall be permitted access to the Leased Premises commencing on June 1, 2019 to and including June 30, 2019 (**the "Fixturing Period"**) for purposes of fixturing only, provided a Certificate of Insurance is supplied to the Landlord complying with the insurance requirements set out in clause 7.11 of this Lease. During the Fixturing Period, the Tenant shall not be required to pay Annual Rent and Additional Rent and the Tenant shall be bound by all provisions of the Lease saving those requiring payment of Annual Rent and Additional Rent. Upon completion of its fixturing, the Tenant may conduct business in the Leased Premises.

2.03 OVERHOLDING

If the Tenant shall continue to occupy the Leased Premises after the expiration of this Lease with or without the consent of the Landlord and without any further written agreement, the Tenant shall be a monthly tenant at a rent equivalent to 150% of the Monthly Rent and Additional Rent hereby reserved and subject to all the terms and conditions herein set out except as to length of tenancy.

3.00 ANNUAL RENT

In each year during the Term of this Lease, the Tenant covenants and agrees to pay without any set-off or deduction whatsoever, to the Landlord, as rent for the Leased Premises, and for the non-exclusive use of the Common Areas of the Building, (which Common Area allocation shall be 12%, however, the Common Area allocation is subject to verification and modification from time to time by the Landlord based upon the final areas of the Leased Premises and Building measured in accordance with the BOMA office standard, and reconfigurations as they occur from time to time, as certified by the Landlord), the following:

Year of Term	Rental Rate Per Sq. Ft. Per Annum	Total Per Annum
1 - 2	\$14.00	\$19,642.00
3	\$15.00	\$21,045.00

(the "Annual Rent"). The Annual Rent will be adjusted proportionately for any lease year which is other than twelve months. All monetary amounts payable under this Lease shall be in Canadian dollars. The Annual Rent may be varied based on the actual area of the Leased Premises, Building and common areas as certified by the Landlord from time to time.

3.01 MONTHLY RENT

The Annual Rent shall be payable in equal monthly installments (the "Monthly Rent") in advance on the first day of each calendar month during the Term. If the Term commences on any day other than the first (1st) or ends on any day other than the last of a calendar month, Annual Rent for the fraction of a month at the commencement and at the end of the Term shall be prorated at a rate per day based on the number of days in the calendar year. The Annual Rent and the Monthly Rent may be varied based on the actual area of the Leased Premises and Building as certified by the Landlord.

3.02 ADDITIONAL RENT

- (a) The Tenant covenants to pay as additional rent all sums to be paid to the Landlord hereunder including, without limiting the generality of the foregoing, all tax on the Tenant's Leasehold Improvements, HST (defined in clause 3.14), the Tenant's Proportionate Share of the Tax (defined in clause 4.03), Landlord's Business Tax (defined in clause 4.01) and Operating Costs (defined in clause 5.00) and the cost of all Landlord-approved Extra Services as described in subparagraph (b) below (collectively, the "Additional Rent"); and
- (b) Wherever this Lease provides that the Tenant is to pay a cost or expense to the Landlord as an item of Additional Rent (excluding Operating Costs which includes the Management Fee at

subparagraph 5.00(x)), the Tenant shall pay, in addition to such cost or expense, the Management Fee on such cost or expense, which cost shall also be an item of Additional Rent. If the Tenant requests, including but not limited to, interior climate control services, electricity, non-standard electric light fixtures and controls, non-base building bulb replacement, sewage disposal, water, compressed air, steam and/or chilled water, generator, special janitorial or cleaning services, the use and/or reservation of freight elevators outside Normal Business Hours and/or the supervising of the movement of furniture, equipment, freight and supplies for the Tenant, the provision of Information to a third-party management firm, Additional HVAC (as defined in subparagraph 8.03(e)) and/or other utilities and services of a special type or nature, or in quantities, that exceed normal use by tenants in the Building and/or which are requested by the Tenant outside Normal Business Hours **(the "Extra Service(s)"),** the Landlord shall supply the Extra Services if it is reasonably feasible to do so, the costs of which shall be at a rate equal to the then prevailing rate for such Extra Services and which shall also be an item of Additional Rent.

3.03 ESTIMATED ADDITIONAL RENT

During the Term, the Tenant shall pay to the Landlord monthly in advance on the first (1st) day of each and every month during the Term, one-twelfth (1/12th) of the amount of such annual Additional Rent as reasonably estimated by the Landlord. Such estimates may be adjusted from time to time and re-adjusted by the Landlord and the Tenant shall pay to the Landlord monthly installments of Additional Rent according to such estimates, as adjusted.

3.04 DEFICIENCY OF ADDITIONAL RENT

If the aggregate amount of such estimated Additional Rent payments made by the Tenant in any year should be less than the actual Additional Rent due for such year, then the Tenant shall pay to the Landlord as Additional Rent within ten (10) days **after Tenant's** receipt of notice thereof from the Landlord of the amount of such deficiency.

3.05 EXCESS OF ADDITIONAL RENT INSTALLMENTS

If the aggregate amount of such estimated Additional Rent payments made by the Tenant in any year of the Term should be greater than the actual Additional Rent due for such year, then provided the Tenant is not in default hereunder beyond any applicable cure period, the amount of such excess will be applied by the Landlord to the next succeeding installments of such Additional Rent due hereunder; and if there be any such excess for the last year of the Term (and any extensions thereof), the amount thereof will be refunded by the Landlord to the Tenant following completion of the Landlord's year-end review, provided the Tenant is not otherwise in default under the terms of the Lease.

3.06 PRO-RATING OF ADDITIONAL RENT

If only part of any calendar year is included within the Term, the amount of the Additional Rent payable by the Tenant for such partial year shall be prorated based on the number of days in the calendar year and shall be based upon the estimates made by the Landlord. Upon a final determination of such Additional Rent, the amount remaining unpaid at the termination of this Lease shall, notwithstanding such termination, be adjusted and paid within a reasonable time thereafter.

3.07 PREPAYMENT OF ADDITIONAL RENT

Notwithstanding the foregoing, if the Landlord is required to pay any amount, which it is entitled to collect from the tenants of the Building, more frequently than provided for in this Lease, or if the Landlord is required to prepay any such amount, the Tenant shall pay to the Landlord its portion of such amount calculated in accordance with this Lease, forthwith upon demand.

3.08 DISPUTE AS TO AMOUNT OF ADDITIONAL RENT

In the event of any dispute by the Tenant as to the amount of any Additional Rent claimed by the Landlord, or the amount of the Tenant's Proportionate Share thereof, the opinion of the Landlord's auditors shall be conclusive and binding as to the amount thereof for any period to which the opinion relates.

3.09 PAYMENT

The Tenant shall have the option of paying the Monthly Rent and Additional Rent, plus HST, to the Landlord as follows:

- (a) Post-dated Cheques: The Tenant shall, on or before the commencement of each and every lease year of the Term, deliver to the Landlord a series of post-dated cheques, one for each month of the lease year, drawn for an amount equal to the amount of Monthly Rent and the Additional Rent (as estimated by the Landlord), plus HST, provided that the first such payment is to include also any pro-rated Monthly Rent and Additional Rent for the period from the Commencement Date to the first day of the first full calendar month in the Term, provided further that the obligation in the first lease year shall be adjusted to take into account all advance rental paid hereunder, OR
- (b) Monthly Cheque: The Tenant shall deliver a cheque to the Landlord on or before the first day of each month of the Term, in an amount equal to the Monthly Rent and the Additional Rent, plus HST, OR
- (c) Direct Deposit: The Tenant shall have the Monthly Rent and Additional Rent, plus HST, due by the Tenant under this Lease **deposited directly to the Landlord's bank** account. The parties agree to co-operate in executing whatever forms are required to activate the direct deposit of such payments. If the Landlord or the Tenant changes its bank or financial institution, it must immediately notify the other party in writing so that the Tenant can ensure that such payments by direct deposit are received by the Landlord and there is no gap in the continuity of payments to the Landlord.

3.10 ADVANCE RENTAL

The Tenant agrees to pay the Landlord upon execution of this Lease by all parties the sum of Eight Thousand Three Hundred and Twelve Dollars and Seventy-Three Cents (\$8,312.73), inclusive of HST, to be held without interest and applied against: 1) the first **months'** Annual Rent and Additional Rent, and 2) any outstanding invoices and yearend adjustments for Additional Rent following the last year of the Term and any extensions thereof. Any balance remaining, if any, shall be reimbursed to the Tenant.

3.11 MANNER AND PLACE OF PAYMENT OF RENT

Annual Rent and Additional Rent shall, until further written notice is received from the Landlord, be paid by the Tenant without any prior demand therefor to the Landlord at its principal office located at 555

Legget Drive, Tower B, Suite 300, Ottawa, Ontario, Canada K2K 2X3, or at such other place in Canada as the Landlord may designate in writing from time to time, and shall be payable in lawful money of Canada. The Landlord agrees that payments made to KRP Properties and/or Wesley Clover International Corporation pursuant to this Lease shall be deemed to be payments made to the Landlord and the Tenant shall not be required to see to the application thereof.

3.12 DEFAULT

Any sums received by the Landlord from or for the account of the Tenant when the Tenant is in default hereunder may be applied at the Landlord's option to the satisfaction, in whole or part, of any of the obligations of the Tenant then due hereunder in such manner as the Landlord sees fit, and regardless of any designation or instructions of the Tenant to the contrary.

3.13 ACCRUAL OF RENT

Annual Rent and Additional Rent shall be considered as annual and accruing from day-to-day, and where it becomes necessary for any reason to calculate such rent for an irregular period of less than one (1) year, an appropriate apportionment and adjustment shall be made. Where the calculation of any Additional Rent is not made until after the termination of this Lease, the obligation of the Tenant to pay such Additional Rent shall survive the termination of this Lease and such amounts shall be payable by the Tenant upon demand by the Landlord.

3.14 NET LEASE

The Tenant acknowledges and agrees that it is intended that this Lease shall be a completely carefree net lease for the Landlord and that the Landlord shall not be responsible during the Term for any costs, charges, expenses or outlays of any nature whatsoever arising from or relating to the Leased Premises, whether foreseen or unforeseen, and whether or not within the contemplation of the parties at the commencement of the Term, except as shall be otherwise expressly provided for in this Lease, and other than income tax due by the Landlord, the Tenant shall be responsible for any business transfer tax, value added tax, multi-stage sales tax, goods and services tax, harmonized sales tax, or any other tax or levy on rental income that may be charged, levied or assessed by any government or other applicable taxing authority against the Landlord whether known as a harmonized sales tax or any other name ("HST").

4.00 TENANT'S BUSINESS TAX

In each and every year during the Term, the Tenant covenants to pay and discharge prior to the same becoming due and payable all taxes, rates, duties and assessments and other charges that may be levied, rated, charged or assessed against or in respect of the Tenant's or other permitted occupant's use and occupancy of the Leased Premises, or in respect of the Tenant's or other permitted occupant's Leasehold Improvements, equipment, machinery, Trade Fixtures and facilities situate or installed on or in the Leased Premises, and every tax and license fee in respect of any and every business carried on in the Leased Premises or in respect of the use or occupancy thereof by the Tenant (and any and every subtenant, licensee or occupant thereof) whether such taxes, rates, duties, assessments and license fees are charged by any municipal, parliamentary, school or other body during the Term and any extensions thereof. The Tenant will indemnify and keep indemnified the Landlord from and against payment of all loss, costs, charges and expenses occasioned by, or arising from any and all such taxes, rates, duties, assessments, license fees, and any and all taxes which may in future be levied or charged in lieu of such taxes; and any such loss, costs, charges

and expenses suffered by the Landlord may be collected by the Landlord as Additional Rent with all rights of distress and otherwise as reserved to the Landlord in respect of rent in arrears. The Tenant further covenants and agrees that upon written request of the Landlord, the Tenant will promptly deliver to the Landlord for inspection receipts for payment of all such taxes, rates, duties, assessments, license fees and other charges in respect of all Leasehold Improvements, equipment and facilities of the Tenant on or in the Leased Premises or in respect of any business carried on in the Leased Premises which were due and payable up to one (1) month prior to such request.

4.01 LANDLORD'S BUSINESS TAX

In the event that there are any taxes, rates, duties, assessments or charges levied, rated, charged or assessed against the Landlord by any municipal or other governmental authority with respect to the Landlord's use or occupancy of any part of the Building or the Lands which the Tenant is entitled to use in common with other persons or with respect to any other part of the Building which the Landlord uses or occupies for the purpose of supplying services to the Leased Premises (such taxes, rates, duties, assessments or charges hereinafter called the "Landlord's Business Tax"), then it is agreed that in addition to all other sums, the Tenant is required to pay pursuant to this Lease, the Tenant shall pay to the Landlord as Additional Rent, the Tenant's Proportionate Share of such Landlord's Business Tax.

4.02 TAX ON TENANT'S LEASEHOLD IMPROVEMENTS

The Tenant shall pay to the Landlord as Additional Rent, in respect of each applicable tax year, an amount equal to that portion of the Tax for such tax year, as determined by the Landlord, which may reasonably be regarded as being attributable to the fixtures, Leasehold Improvements, installations, Alterations, additions and equipment from time to time made, erected or installed by or on behalf of the Tenant in the Leased Premises.

4.03 PROPERTY TAX

"Tax" in this Lease means an amount equivalent to all taxes, rates, duties, levies and assessments whatsoever levied, rated, charged or assessed by any municipal, parliamentary, educational, school or other governmental authority charged upon the Building, the Lands, the property and all Improvements now or hereafter appurtenant thereto or upon the Landlord on account thereof including all taxes, rates, duties, levies and assessments for local Improvements and including any tax which has been attracted by the Tenant's Leasehold Improvements and equipment and for which the Tenant is responsible hereunder. Excluded from Tax is: a) any portion of Tax payable solely by any other tenant, b) any Tax charged against or applicable to the other office buildings constructed on the Lands and the parking spaces applicable to such buildings; and c) such taxes as corporate income, capital gains, profits or excess profits, taxes assessed upon the income of the Landlord, and shall also include any and all taxes which may in future be levied in lieu of Tax as hereinbefore defined.

4.04 ALLOCATION OF TAX

If the Tax or any portion thereof that may be payable by the Tenant by reason of this Lease, depends upon an assessment or an approximation of an assessment which has not been made by the taxing authority or authorities having jurisdiction, the Landlord shall determine the same; any such determination made by the Landlord shall be binding upon the Tenant unless shown to be unreasonable or erroneous in some substantial respect. The Landlord shall have the right from time to time to reasonably allocate and re-allocate Tax charged separately to the various buildings

(including the Building) and the parking garages located on the Lands.

4.05 SEPARATE SCHOOL TAXES

If the Tenant or any subtenant or licensee of the Tenant or any occupant of the Leased Premises shall elect to have the Leased Premises or any part thereof assessed for separate school taxes, the Tenant shall pay to the Landlord, as Additional Rent, as soon as the amount of the separate school taxes is ascertained, any amount by which the amount of separate school taxes exceeds the amount which would have been payable for Tax had such election not been made. If the Tenant or any subtenant or licensee of the Tenant shall elect to have the Leased Premises or any part thereof assessed for separate school taxes as aforesaid, and if such separate school taxes are less than the taxes which would have been payable for school taxes had such election not been made, then and in that event, the Tenant shall be entitled to deduct from the rent for the first month of the year following which such taxes were payable, the amount by which the separate school taxes were less than the amount which would have been payable for school taxes in the year prior to such month.

4.06 TAX APPEAL

Any expense incurred by the Landlord in obtaining or attempting to obtain a reduction in the amount of the Tax or the assessment upon which the Tax may be based, shall be added to and included in the amount of the Tax, and if the Tenant shall have paid its Proportionate Share of the Tax and the Landlord shall thereafter receive a refund of any portion of the Tax, the Landlord shall make an appropriate refund to the Tenant.

5.00 OPERATING COSTS

"Operating Costs" in this Lease means, without duplication, the total charges, expenses, costs, fees, rentals, disbursements or outlays incurred, accrued, paid, payable or attributable whether by the Landlord or others on behalf of the Landlord for complete repair, replacement, maintenance, operation, administration, supervision, cleaning and management of the Property as are incurred in keeping with maintaining the Property to a comparable standard of a first class commercial Property so as to give it high character and distinction, including, without limiting the generality of the foregoing, the following:

- (a) the cost of all repairs, replacements, Improvements, alterations and equipment required for such operation and maintenance (save and except as set out in clause 5.00(cc));
- (b) the annual amortization and interest, calculated at the prime rate plus two percent (2%) per annum, on the unamortized balance of the cost of all major repairs, replacements, Improvements, alterations and equipment acquired which shall be amortized on a straight-line basis over its useful life and in accordance with ASPE;
- (c) the cost of maintaining and repairing the heating, air-conditioning, ventilation and mechanical systems equipment;
- (d) the cost of upgrades to the electrical system, including shut downs and provision of temporary and alternate electrical power if available, air-conditioning, ventilating and mechanical systems and equipment in the Building;
- (e) the cost of operating and maintaining any elevators, (including the cost of service contracts);
- (f) the costs of providing hot and cold water;
- (g) the costs of providing electricity not otherwise chargeable to tenants;
- (h) the costs of all fuel, gas and steam used in heating, ventilating and air-conditioning;
- (i) the cost of energy conservation devices or equipment, conservation

- plans and programs;
- (j) the cost of snow removal;
- (k) the cost of landscape maintenance including the cost of replacing any landscaping on the Lands;
- (l) the cost of window cleaning;
- (m) the cost of insurance premiums for fire, casualty, liability, rental and any other insurance coverage maintained by the Landlord in connection with the Property;
- (n) telephone and other utility costs;
- (o) the amount paid or payable for all salaries, wages and benefits and other payments paid to or on behalf of persons engaged in the cleaning, supervision, maintenance and repair of the Property (including wages of the on-site Property Manager);
- (p) the cost of accounting services necessary to prepare the statements and opinions for the tenants and to compute the rents and other charges payable by the tenants of the Building;
- (q) the cost of porters, guards and other protection services;
- (r) the cost of providing security services;
- (s) the cost of garbage or refuse removal from the Building not otherwise chargeable to tenants;
- (t) the cost of repair and maintenance of the roadways, curbs, paving, walkways, pools, landscaping, lighting and other common facilities and outside areas;
- (u) cost of services provided for the common use of the tenants;
- (v) cost of replacing machinery or equipment which by its nature requires periodic replacement;
- (w) the cost of the fair market rental value (having regard to rent being charged for similar space including additional rent for operating costs and property taxes) of space used by the Landlord, its property manager and/or personnel, acting reasonably, in connection with the maintenance, repair, operation, administration and management of the Building;
- (x) Management Fee on the Operating Costs;
- (y) the cost of preparing a pandemic risk assessment and/or health emergency plan as well as actual costs in dealing with a health emergency;
- (z) the cost of communication services (including riser, rooftop, telephone rooms and wireless management);
- (aa) the cost of service contracts with independent contractors and all other expenses, paid or payable by the Landlord in connection with the operation of the Property.

Operating Costs shall not include:

- (bb) interest on, and the capital retirement of, debt except as specifically provided in subparagraphs 5.00(a) and 5.00(b) above;
- (cc) the cost of any major structural repairs or structural replacements that amount to betterment in accordance with ASPE and to the extent such costs are as a result of any inherent structural failure or weakness, except where such repairs or replacements are occasioned by the willful act, omission and/or negligence of the Tenant and/or those in law for whom it is responsible which shall be **the Tenant's legal and financial responsibility**;
- (dd) retirement of any debt;
- (ee) any amounts directly chargeable by the Landlord to any tenant or tenants of the Building;
- (ff) the cost of any repairs paid for by insurance proceeds or for which the Landlord was reimbursed by insurance proceeds;
- (gg) **amounts paid to any third party due to the Landlord's fault, omission, mistake, failure or lateness**;
- (hh) costs or penalties resulting from the Landlord's default to respect any obligations stipulated under warranties or guarantees affecting the Building;

- (ii) ground rent (if any);
- (jj) tenant inducements, tenant improvements and leasing commissions, including without limitation, expenses related to decorating or redecorating or renovating rentable space for tenants and the costs related to tenant allowances; and
- (kk) any sales taxes as actually recovered by the Landlord as a credit in **determining the Landlord's net tax liability** on account of sales taxes but only to the extent that such sales taxes are included in Additional Rent.

5.01 ALLOCATION OF OPERATING COSTS

In determining the Operating Costs attributable to the Building, the Landlord shall have the right from time to time to reasonably allocate and re-allocate such Operating Costs which represent operating costs incurred for facilities or services shared by the Building and such other buildings as are owned or operated by the Landlord and which are not charged or allocated separately against the Building and any such other building or buildings. Any such determination made by the Landlord shall be binding upon the Tenant unless shown to be unreasonable or erroneous in some substantive respect.

5.02 ADJUSTMENT TO COSTS

Those items of Operating Costs which vary with the use and occupancy of rentable premises in the Building shall be adjusted and calculated as if the Building were 100% occupied and operational for the entire operating year so that those items of Operating Costs (which shall include, without limitation, items such as cleaning costs, garbage removal and utility costs) shall be adjusted to what they would have been, in the Landlord's reasonable estimate, if the building were 100% occupied and operational for the entire operating year, and such adjusted amount shall be included in the Operating Costs.

5.03 USE OF UTILITIES

- (a) The Landlord will provide and permit the Tenant to use the electricity, domestic water, sewage disposal and other utility services serving the Building in such quantities as the Landlord from time to time determines to constitute normal use for tenants in the Building. The Landlord reserves the right to shut down electrical power to the Building, or any part thereof, by reason of any accidents, repairs, alterations, additions and/or Improvements, subject to prior written notice to the Tenant, except in the event of an emergency, and the Landlord shall not be liable for any direct, indirect or consequential costs and/or damages due to such shut down;
- (b) The Tenant shall not overload the capacity of any such service. The Tenant shall not bring on the Leased Premises any installations, appliances or business machines which are likely to consume significant amounts of electricity or other utilities or which require special venting without the prior written consent of the Landlord. The Tenant shall not engage any person to provide any utility service to the Leased Premises;
- (c) In order to ensure that such capacity is not exceeded and to avert possible adverse effect upon the Building's electrical service, the Tenant shall not, without the Landlord's prior written consent in each instance, connect any additional fixtures, appliances or equipment (other than normal office electrical fixtures, lamps, computers and similar small office machines) to the Building's electric distribution system or make any alteration or addition to

the electrical system of the Leased Premises existing at the commencement of the Term. If the Landlord grants such consent, the cost of all additional risers and other equipment required therefor, together with all costs associated with shut downs and the provision of auxiliary electrical power, shall be paid as Additional Rent by the Tenant to the Landlord upon demand. As a condition to granting such consent, the Landlord may require the Tenant to agree to pay an increase in the Additional Rent for Operating Costs by an amount which will reasonably reflect the increased cost of the Landlord of the Extra Services to be furnished to the Leased Premises by the Landlord.

5.04 METERS

Subject to paragraph 3.02 of this Lease:

- (a) the Tenant covenants to pay for the cost of any additional metering, or other measuring device(s), which may be required by the Landlord to be installed in the Building for the purpose of determining **if the Tenant's usage exceeds the Tenant's** Proportionate Share of electricity, gas, water, cooling, heating and/or any other measurable services consumed by the Tenant in the Leased Premises, chargeable as Additional Rent under this Lease, if required by the Landlord; and
- (b) to the extent the Landlord elects, in its sole discretion, to install any additional metering in the whole of the Building or on the whole of any floor(s) of the Building (save and except if the Tenant is leasing the whole of the Building or the whole of any floor(s) of the Building), the Tenant shall have no obligation to contribute to the costs of such installation, however any costs determined by such metering shall be chargeable as Additional Rent.

6.00 ASSIGNING OR SUBLETTING

The Tenant covenants that it will not assign (except to a Permitted Transferee provided that such Permitted Transferee can provide the same or better quality of financial covenant and the Landlord receives satisfactory assurances that there will be continuity of the existing management policies and operations) or sublet the Leased Premises, or any part thereof, without the prior written consent of the Landlord, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, it shall be considered reasonable for the Landlord to arbitrarily withhold its consent to a request to assign or sublet any or all of the Leased Premises in the event of any of the following:

- (a) an assignment or sublet of the whole of the Leased Premises, in which the Annual Rent and Additional Rent to be paid by the assignee or subtenant under such assignment or sublet exceeds the Annual Rent and Additional Rent payable by the Tenant hereunder. In such event the amount of such excess shall be paid by the Tenant to the Landlord. If the Tenant receives from any assignee or subtenant, either directly or indirectly, any consideration other than Annual Rent or Additional Rent for such assignment or sublet, either in the form of cash, goods or services, the Tenant shall immediately pay to the Landlord an amount equivalent to such consideration;
- (b) a sublet of a part of the Leased Premises;
- (c) if in the **Landlord's opinion:**
 - (i) either the financial background or the business history and capability of the proposed assignee or subtenant is not satisfactory;

- (ii) the nature or character of the proposed business of the proposed assignee or subtenant is such that it might harm the Landlord's business or reputation or reflect unfavourably on the Building, the Landlord, or other tenants of the Building, or the image of any of them, or is unethical, immoral or illegal;
 - (iii) The proposed assignment or sublet is contrary to any covenants or restrictions granted by the Landlord to other existing or prospective tenants of the Building;
 - (iv) the use of the Leased Premises by the proposed assignee or subtenant is different than the use permitted under this Lease and: (A) could be incompatible with the other businesses or activities being carried on in the Building, or (B) could result in excessive demands being placed on the **Building's systems** or other Common Areas; or
 - (v) if the assignment or sublet affects less than all of the Leased Premises, the portion affected or the portion remaining is not acceptable in respect of size, access or configuration;
- (d) where the assignee or subtenant is then a tenant or subtenant of the Landlord, or a prospective tenant with whom the Landlord has provided an offer/proposal for the lease of premises within the **Landlord's portfolio**;
- (e) a sub-sublet of a part or whole of the Leased Premises.

6.01 REQUEST TO ASSIGN OR SUBLET

If the Tenant requests an assignment of this Lease, or a sublet of the whole or any part of the Leased Premises, the Tenant shall submit to the Landlord the name and address of the proposed assignee or subtenant, together with a copy of an offer or agreement to assign or sublet, or the sublease or assignment, and such additional information as to the nature of its business and its financial responsibility and standing (including financial statements) as the Landlord may reasonably require ("Required Information").

6.02 LANDLORD'S RIGHT TO CANCEL

- (a) Upon receipt of such request and the Required Information from the Tenant, and notwithstanding any provisions of this Lease or any statutory provisions or any other laws to the contrary, the Landlord shall have the right, exercisable in writing within thirty (30) days after such receipt, to cancel and terminate this Lease if the request is to assign this Lease, or to sublet all of the Leased Premises, or, if the request is to sublet a portion of the Leased Premises only, to cancel and terminate this Lease with respect to such portion, in each case as of the date set forth in the Landlord's notice of exercise of right ("Landlord's notice of termination"), which shall be neither less than sixty (60) days nor more than one hundred and twenty (120) days following the delivery of the Landlord's notice of termination;
- (b) If the Landlord shall exercise such right, the Tenant shall have the option to: (1) surrender possession of the entire Leased Premises, or the portion which is the subject of the right, as the case may be, on the date set forth in the Landlord's notice of termination in accordance with the provisions of this Lease relating to the surrender of the Leased Premises at the expiration of the Term, or (2) retract the request to assign or sublet;

- (c) If this Lease shall be cancelled as to a portion of the Leased Premises only, the rent payable by the Tenant under this Lease shall be abated proportionately. In the event that the Landlord shall not exercise the right to cancel this Lease, then the Landlord's consent to any such request to assign or sublet shall not be unreasonably withheld.

6.03 ASSIGNMENT AGREEMENT

All assignments of this Lease are conditional upon the assignee entering into an assignment in form and content satisfactory to the Landlord, to perform, observe and keep each and every covenant, condition and agreement in this Lease on the part of the Tenant to be performed, observed and kept including the payment of Annual Rent and Additional Rent and all other sums and payments agreed to be paid or payable under this Lease on the days and times and in the manner specified.

6.04 CONSENT NOT TO RELEASE TENANT

In no event shall any assignment or sublet release or relieve the Tenant from its obligations fully to perform all the terms, covenants and conditions of this Lease to be performed.

6.05 CHANGE IN CONTROL

- (a) If the Tenant is a corporation or partnership, or if this Lease is assigned to a corporation or **partnership** ("Assignee"), and if at any time during the Term, and any extensions thereof, any shares, voting rights or interest in the Tenant and/or Assignee shall be transferred by sale, assignment, subscription, transmission on death, operation of law or otherwise, which would result in any change in the effective control of the Tenant and/or Assignee (a "Change in Control"), then such event shall be deemed to constitute an assignment in respect of which the consent of the Landlord shall be required.
- (b) If the Tenant is a person, a Change in Control shall include any transaction or occurrence whatsoever which has changed or might change the identity of the person;
- (c) The Tenant shall, at the request of the Landlord, make available to the Landlord for inspection or copying, or both, all books and records of the Tenant which, alone or with other data, show the applicability or inapplicability of a Change in Control. If any stockholder or shareholder of the Tenant shall, after the request of the Landlord to do so, fail or refuse to furnish forthwith to the Landlord any data verified by the affidavit of such stockholder or shareholder or other credible person, which data, alone or with other data show the applicability or inapplicability of a Change in Control, the Landlord may terminate this Lease by giving the Tenant thirty (30) days' prior written notice of such termination.

6.06 NOTICE OF CHANGE IN CONTROL

Where there is a Change in Control of the Tenant, the Tenant shall forthwith so advise the Landlord in writing.

6.07 COST OF CONSENT

The Tenant further agrees that prior to any assignment, subletting or Change in Control being effective and binding upon the Landlord, the Tenant shall pay to the Landlord on demand the Landlord's reasonable

costs (including the Management Fee) incurred in connection with the Tenant's request for such consent.

7.00 TENANT'S COVENANTS

The Tenant further covenants with the Landlord as follows:

7.01 TENANT REPAIRS

- (a) To repair, maintain and keep the Leased Premises and all Trade Fixtures and Leasehold Improvements therein in good and substantial repair subject only to the following exceptions (collectively, the "Tenant Repair Exceptions"): (i) defects in construction of the Property including (without limitation) the structural members of the Building; (ii) reasonable wear and tear; and (iii) damage by fire, lightning and tempest or other casualty against which the Landlord is insured;
- (b) The Landlord may enter and view state of repair and that the Tenant will repair (except for Tenant Repair Exceptions) according to notice in writing and that the Tenant will leave the Leased Premises in good repair, except for Tenant Repair Exceptions;
- (c) Notwithstanding anything hereinbefore contained, the Landlord may in any event make repairs to the Leased Premises without notice if such repairs are, in the Landlord's opinion, necessary for the protection of the Building and the Tenant covenants and agrees with the Landlord that if the Landlord exercises any such option to repair, the Tenant will pay to the Landlord, together with the next installment of Monthly Rent which shall become due after the exercise of such option, all sums which the Landlord shall have expended in making such repairs, including the Management Fee, and that such sums, if not so paid within such time, shall be recoverable from the Tenant as Additional Rent in arrears. Provided further that in the event that the Landlord from time to time makes any repairs as hereinbefore provided, the Tenant shall not be deemed to have been relieved from the obligation to repair and leave the Leased Premises in a good state of repair.

7.02 RULES AND REGULATIONS

The Tenant and its employees and all persons visiting or doing business with the Tenant on the Leased Premises shall be bound by and shall observe the rules and regulations annexed hereto as Schedule C, or as may hereafter be reasonably set by the Landlord of which notice in writing shall be given to the Tenant, and upon such notice being delivered, all such rules and regulations shall be deemed to be incorporated into and form part of this Lease, to the extent such rules and regulations are not inconsistent with the terms of this Lease.

7.03 USE OF PREMISES

The Tenant shall continuously use the whole of the Leased Premises only as a business office which the Tenant shall operate in a first-class, reputable manner befitting the reputation and image of the Building, and for no other purpose.

7.04 INCREASE IN INSURANCE PREMIUMS

The Tenant will not keep, use, sell or offer for sale in or upon the Leased Premises any article which may be prohibited by any insurance policy in force from time to time covering the Building, including any regulations made by any fire insurance underwriters applicable to such policies. In the

event the Tenant's occupancy or conduct of business in, or on the Leased Premises, whether or not the Landlord has consented to the same, results in any increase in premiums for the insurance carried from time to time by the Landlord with respect to the Building, the Tenant shall pay any such increase in premiums as Additional Rent within ten (10) days after bills for such additional premiums shall be rendered by the Landlord. In determining whether increased premiums are a result of the Tenant's use or occupancy of the Leased Premises, a schedule issued by the organization computing the insurance rate on the Building showing the various components of such rate, shall be conclusive evidence of the several items and charges which make up such rate. The Tenant shall promptly comply with all reasonable requirements of the insurance authority or of any insurer now or hereafter in effect relating to the Leased Premises.

7.05 CANCELLATION OF INSURANCE

If:

- (a) any policy of insurance upon the Building or any part thereof, or upon the Lands or any part thereof, shall be cancelled or rendered voidable by the insurer by reason of any act, omission or occupation of the Leased Premises or any part thereof by the Tenant, any assignee or subtenant of the Tenant or by anyone permitted by the Tenant to be upon the Leased Premises, and
- (b) the Tenant, after receipt of notice from the Landlord, fails to immediately reinstate such insurance policies or avoid cancellation of such insurance policies,

the Landlord may at its option determine this Lease forthwith by leaving upon the Leased Premises notice in writing if the Tenant fails to remedy such act, omission or occupation. Upon such determination: (i) Monthly Rent, Additional Rent and any other payments for which the Tenant is liable under this Lease shall be apportioned and paid in full to the date of such determination; the Tenant shall immediately deliver up possession of the Leased Premises to the Landlord; and the Landlord may re-enter and take possession of the Leased Premises, or (ii) the Landlord shall pay any increased cost of such insurance and the Tenant shall pay as Additional Rent, on demand, the amount by which the premiums for such insurance are so increased.

7.06 OBSERVANCE OF LAW

- (a) To comply promptly at its own expense with all provisions of law including without limitation, federal and provincial legislative enactments, building by-laws, and any other governmental or municipal regulations which relate to the partitioning, equipment (all electrical equipment must be Canadian Standards Association (CSA) or Underwriters Laboratories of Canada (ULA) approved), operation and use of the Leased Premises, and to the making of any repairs, replacements, Alterations, additions, changes, substitutions or Leasehold Improvements of or to the Leased Premises; and
- (b) To comply with all police, fire and sanitary regulations imposed by any federal, provincial or municipal authorities or made by fire insurance underwriters, and to observe and obey all governmental and municipal regulations and other requirements governing the conduct of any business conducted in the Leased Premises. Provided that in default of the Tenant so complying the Landlord may at its option where possible comply with any such requirement and the cost of such compliance shall be payable on demand by the Tenant to the Landlord as Additional Rent.

7.07 WASTE AND OVERLOADING OF FLOORS

Not to do or suffer any waste or damage, disfiguration or injury to the Leased Premises or the fixtures and equipment thereof or permit or suffer any overloading of the floors thereof; not to place therein any safe, heavy business machine or other heavy thing which may overload the floors without first obtaining the consent in writing of the Landlord; not to use or permit to be used any part of the Leased Premises for any dangerous, noxious or offensive trade or business; not to cause or permit any nuisance in, at or on the Leased Premises. Without the prior consent in writing of the Landlord, the Tenant shall not bring onto or use in the Leased Premises (or permit any person subject to the Tenant to bring onto or use on the Leased Premises) any fuel or combustible material for heating, lighting or cooking nor will it allow onto the Leased Premises any stove, burner, apparatus or appliance for utilizing the same and the Tenant will not purchase, acquire or use electrical current or gas for consumption on the Leased Premises except from such supplier thereof as shall have been approved in writing by the Landlord.

7.08 INSPECTION

To permit the Landlord, its employees or agents to enter upon the Leased Premises at any time and from time to time upon reasonable notice to the Tenant (except in the case of an emergency) for the purpose of inspection and making repairs, Alterations or Leasehold Improvements to the Leased Premises, or Improvements to the Building, and the Tenant shall not be entitled to compensation for any inconvenience, nuisance or discomfort occasioned thereby. The Landlord, its employees or agents may at any time and from time to time enter upon the Leased Premises upon reasonable notice to the Tenant (except in the case of an emergency) to remove any article or remedy any condition which, in the opinion of the Landlord, reasonably arrived at, would be likely to lead to cancellation of any policy of insurance and such entry by the Landlord shall not be deemed to be a re-entry. The Tenant shall, upon written request of the Landlord, produce audited Financial Statements of the Tenant, which statements shall include a Balance Sheet, Income Statement, Statement of Retained Earnings, Statement of Source and Application of Funds.

7.09 INDEMNITY TO LANDLORD

Except where there is a finding of gross negligence or willful misconduct against the Landlord, to promptly indemnify, defend and save and hold harmless the Landlord for any and all liabilities, damages, costs, claims, suits or actions of any nature or kind including the full cost and expenses to the Landlord payable on demand in resisting or defending the same to which the Landlord shall or may become liable or suffer arising out of or by reason of:

- (a) any breach, violation or non-performance by the Tenant of any of its covenants and obligations under this Lease;
- (b) any damage to property while said property shall be in or about the Leased Premises including the systems, furnishings and amenities thereof, as a result of the negligent act or omission or willful misconduct of the Tenant, and those for whom it is responsible in law; and
- (c) any injury to any invitee, licensee, agent, servant or employee of the Tenant, including death resulting at any time therefrom, occurring on or about the Leased Premises, the Property or the Lands;

and this indemnity shall survive the expiry or sooner determination of this Lease.

7.10 DAMAGE BY TENANT

If the Building, including the Leased Premises, the elevators, boilers, engines, pipes and other apparatus (or any of them) used for the purpose of heating, ventilating or air-conditioning the Building or operating the elevators, or if the water pipes, drainage pipes, electric lighting or other equipment of the Building or the roof or outside walls or other parts of the Building will not function properly or become damaged or destroyed through the negligence, carelessness or misuse of the Tenant, or of any of its invitees, licensees, agents, servants, employees, clients, customers or contractors, or through it or them in any way stopping up or injuring any heating, ventilating or air-conditioning apparatus, elevators, water pipes, drainage pipes or other equipment or parts of the Building, the expense of the necessary repairs, replacements or alterations shall be borne by the Tenant and paid forthwith on demand to the Landlord as Additional Rent.

7.11 TENANT INSURANCE

(a) To maintain in force during currency of this Lease at the Tenant's expense insurance policies to cover the following:

- (i) commercial general liability insurance with limits of not less than Five Million Dollars (\$5,000,000.00) per occurrence (including bodily injury and property damage, tenant's legal liability, cross liability and contractual liability) to cover all responsibilities assumed by the Tenant with respect to the use or occupancy of and the business carried on, in or from the Leased Premises, which required limits may be satisfied by a combination of a primary policy and umbrella/excess liability policy;
 - (ii) "all risk" insurance covering all property owned by the Tenant or by others and for which property the Tenant is responsible located in the Building including equipment, furniture, fixtures, and all Leasehold Improvements, in an amount equal to the full replacement value thereof, and the Landlord shall be named as a loss payee as its interests may appear;
 - (iii) any other insurance that the Landlord (or the Landlord's mortgagee, if any) may reasonably require from time to time in form and amounts and for insurance risks against which a prudent Tenant would protect itself;
- (b) That all Tenant's insurance required hereunder shall be with insurers rated A-Minus or better by A.M. Best & Company who are licensed to transact business in Canada and upon terms and conditions satisfactory to the Landlord. Copies of all policies, or certificates evidencing the insurance or its renewal shall be delivered to the Landlord, at the Landlord's request;
- (c) That all policies of insurance to be maintained by the Tenant shall, in the case of general liability insurance, include the Landlord (and, where applicable, the Landlord's mortgagee) as additional insured and, in the case of all other insurance coverage, contain a waiver by the insurer and Tenant of any rights of subrogation or indemnity or any other claim to which the insurer might otherwise be entitled against the Landlord (and mortgagee) or the agents or employees of the Landlord. All such insurance policies shall also contain a provision prohibiting the insurer from cancelling or altering the insurance coverage without first giving the Landlord thirty (30) days

prior written notice thereof;

- (d) That if the Tenant fails to take out or maintain in force such insurance, the Landlord may take out the necessary insurance and pay the premium therefor, and the Tenant shall pay to the Landlord the amount of such premium, plus the Management Fee, immediately on demand as Additional Rent; and
- (e) That if both the Landlord and the Tenant have claims to be indemnified under any such insurance, the indemnity shall be applied first to the settlement of the claim of the Landlord and the balance, if any, to the settlement of the claim of the Tenant.

7.12 NO ABATEMENT OF RENT

There shall be no abatement or reduction of Annual Rent and Additional Rent and the Landlord shall not be liable for any damage howsoever caused to property of the Tenant or of any person subject to the Tenant, or of any person for whom the Tenant is responsible at Law, which is in or upon or being brought to or from the Leased Premises or the Building or for personal injury (including death) sustained in any manner by the Tenant or any person subject to the Tenant while the Tenant or any such person is on or upon entering or leaving the Leased Premises or Building, unless such property damage or personal injury has been found attributable to fault or neglect on the part of the Landlord or of any person for whom the Landlord is at law responsible, and the Tenant will indemnify, defend and save harmless the Landlord from and against all claims and demands made against the Landlord by any person for or arising out of any such property damage or personal injury. Notwithstanding the foregoing, the Tenant agrees to provide the Landlord with copies of any and all accident/incident reports, if any, or a written notice summarizing any incident if no report is completed, within twenty-four (24) hours of the occurrence of any incident by which someone was injured, there was physical damage to the Leased Premises and/or Building, or a third party, or which could result in a claim.

7.13 EXHIBITING PREMISES

Upon reasonable notice to the Tenant (except in the case of an emergency), to permit the Landlord or its agents or servants to enter and show the Leased Premises, during Normal Business Hours, to prospective purchasers of the Building, and may after notice of termination of this Lease has been given, or within the last six (6) months of the then Term, enter and show the Leased Premises to prospective tenants.

7.14 SIGNAGE

- (a) The Landlord agrees to provide suite entry, directory listing and floor lobby (if any) signage, at its cost. The Tenant shall, at its cost, be permitted the right to have its corporate identification on the pylon sign serving the Building, subject to availability, and the Landlord's written consent to do so and its approval as to size, design and location. All signage shall be installed by the Landlord at the **Tenant's expense** (except for suite entry, main lobby and floor lobby signage as aforesaid) and shall be subject to all municipal approvals. At the **Tenant's expense**, the Tenant shall be responsible for the maintenance of the signs **to the Landlord's satisfaction**, and shall have the Landlord remove the signs at the conclusion or earlier termination of the Term, or any extensions thereof;
- (b) The Tenant shall not paint, display, inscribe or place any sign, symbol, notice or lettering of any kind anywhere outside the Leased Premises, or within the Leased Premises, so as to be visible from the

outside of the Building, or the Common Areas thereof, with the exception only of an identification sign at the entrance to the Leased Premises.

7.15 NAME OF BUILDING

Not to refer to the Building by any name other than that designated from time to time by the Landlord and the Tenant shall use the name of the Building for the business address of the Tenant but for no other purpose.

7.16 KEEP TIDY

At the end of each Business Day, the Tenant shall leave the Leased Premises in a tidy condition.

7.17 DELIVERIES

The Tenant shall receive, ship, take delivery of and allow and require suppliers or others to deliver or take delivery of merchandise, supplies, fixtures, equipment, furnishings, wares or merchandise only through the loading entrance and other facilities provided for that purpose and at the times set by the Landlord, except for couriers, which are permitted to utilize the main entrance of the Building.

7.18 NOTICE OF DAMAGE

To notify the Landlord promptly of any damage to or defect in the Leased Premises or the Building or any part thereof including any electrical, plumbing, heating, ventilating, air-conditioning, water, sprinkler or gas systems or equipment, or the water pipes, gas pipes, telephone lines or electrical apparatus within or leading to the Leased Premises, and in case of fire to give immediate notice thereof to the Fire Department.

7.19 ALTERATIONS TO LEASED PREMISES

Subject to subparagraph 7.19(e) below, the Tenant may from time to time, at its own expense, request Leasehold Improvements and/or alter existing Leasehold **Improvements (the "Alterations")** to the Leased Premises, provided that:

- (a) all Alterations shall require the prior written approval of the Landlord **and shall conform to the Landlord's Environmental Management Plan** attached as Schedule F to this Lease;
- (b) the Tenant shall retain the **Landlord's base** building consultants to ensure compatibility of **the Alterations with the Building's** systems. The Tenant shall furnish the Landlord with professionally prepared working drawings (which may include, but not be limited to, any architectural, structural, electrical, mechanical, and civil plans) of the proposed **Alterations (the "Alterations Drawings")**. If the Tenant uses other consultants for the preparation of its working drawings, then the Landlord may elect to retain its architects and engineers to review such working drawings for the purpose of approving the proposed Alterations (it being understood that notwithstanding such approval, the Landlord shall have no responsibility with respect to the adequacy of such working drawings), and the costs of the examination of such drawings by either the Landlord or an outside consultant shall form part of the Alterations Base Costs;
- (c) the total cost of the Alterations includes, but is not limited to:

- (i) the base cost of the physical improvement (which shall include all changes made during the course of construction, if any), including, but not limited to, all permits; subcontracts; agreements with suppliers; materials; equipment; consultant costs; inspection, review, and testing service requirements; project site personnel; facilities and services relating thereto, and other costs relating to the Alterations (collectively, the "Alterations Base Costs"), **PLUS**
 - (ii) the Management Fee on the Alterations Base Costs,
- (collectively, the "Total Cost of the Alterations");
- (d) the Landlord shall provide to the Tenant a detailed budget and schedule based on the Alterations Drawings, which shall include the **Total Cost of the Alterations (the "Alterations Budget")**. The Tenant must provide the Landlord with a copy of the Alterations Budget signed by an authorized signing officer of the Tenant, together with a deposit cheque, payable immediately, in an amount representing not less than fifty percent (50%) of the Total Cost of the Alterations.
 - (e) the Landlord shall perform the Alterations or cause the Alterations to be performed: (i) in accordance with the Alterations Drawings submitted to and approved by the Landlord; (ii) in accordance with any conditions, regulations, procedures or rules imposed by the Landlord; (iii) in compliance with all applicable Laws; and (iv) in a good and workmanlike and expeditious manner.

7.20 CONSTRUCTION LIENS

The Tenant covenants that it will not suffer or permit during the Term hereof any construction or other liens for work, labour, services or material ordered by it or for the cost of which it may be in any way obligated to attach to the Leased Premises or the Building or the Lands, and that whenever and so often as any such liens shall attach or claims therefor shall be filed, the Tenant shall within twenty (20) days after the Tenant has notice of the claim for lien (or sooner if such lien or claim is delaying construction, a financing or sale of all or any part of the Lands, or other work), procure the discharge thereof by payment or by giving security or in such manner as is or may be required or permitted by law.

7.21 SECURITY

The Tenant will maintain on the Leased Premises, **excluding the Landlord's** furniture and equipment, if any, sufficient moveable property to guarantee the payment of one (1) year's Annual Rent and Additional Rent.

7.22 HAZARDOUS SUBSTANCES

- (a) The Tenant shall not cause or permit any Hazardous Substances to be brought onto, created in, released or discharged from, placed or disposed of, at or near the Leased Premises, Building or Lands;
- (b) The Tenant shall not cause or permit to occur any violation of any statutes, laws, by-laws, regulations, ordinances, orders and requirements of governmental or other public authorities having jurisdiction in force from time to time (the "Laws"), relating to environmental conditions on, under, at, near or about the Leased Premises, Building or Lands, or relating to the Landlord, the Tenant or the Building, air, soil or ground water condition, including without limitation, the generation, storage or disposal

of Hazardous Substances;

- (c) For the purposes of this paragraph, "Hazardous Substances" means: i) any substance, or class of substance or mixture of substances which when released into the Leased Premises, Building or Lands, or any part thereof, or into the natural environment, is likely to cause, at any time, material harm or degradation to the Leased Premises, Building or Lands, or may be detrimental to the natural environment, plant or animal life, or material risk to human health and includes, without limitation, flammable, explosives, radioactive materials, asbestos, corrosives, solvents, mercury and its compounds, dioxins and furans, chlordane (DDT), polychlorinated biphenyls (PCBs), chlorofluorocarbons (CFCs), volatile organic compounds (VOCs), radon gas, chemicals believed to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, pathological wastes, generic or process specific wastes, pesticides, dangerous or potentially dangerous noxious or toxic substances and related materials, petroleum and petroleum products, any substance that, if added to water, may degrade or alter or form part of a process of degradation or alteration of the quality or temperature of that water to the extent that it is detrimental to its use by man or by any animal, fish or plant, or ii) any substances or material declared to be hazardous or toxic under the Laws or any regulation, or which may cause an adverse effect (as that term is defined in the *Environmental Protection Act* (Ontario) and amendments thereto), now or hereafter enacted or promulgated by any governmental authority having jurisdiction over the Landlord, the Tenant, the Leased Premises or the Building (the "Authorities");
- (d) The Tenant shall, at its own expense, comply with the Laws;
- (e) The Tenant shall, at its own expense, make all submissions to, provide all information required by, and comply with all requirements of the Authorities under the Laws;
- (f) The Tenant shall indemnify, defend and hold harmless the Landlord, the Landlord's mortgagees, any manager of the Building, and their respective officers, directors, beneficiaries, shareholders, partners, agents and employees, from all fines, suits, procedures, claims and actions of every kind, and all costs associated therewith (including legal fees on a solicitor and his own client basis and consultants' fees) arising out of or in any way connected with any deposit, spill, discharge, or other release of Hazardous Substances that occurs during the Term or any renewal or extension period, at or from the Leased Premises, or which arises at any time from the Tenant's use or occupancy of the Leased Premises, or from the Tenant's failure to provide all information, make all submissions, and take all steps required by this paragraph or by the Authorities;
- (g) Notwithstanding any other provision of this Lease, if the Tenant creates or brings to the Leased Premises any Hazardous Substances, or if the conduct of the Tenant's business shall cause there to be any Hazardous Substances at or near the Leased Premises, or discharged or released on, under or about the Leased Premises, the Building and/or the Lands, the air, soil or ground water, then:
- (i) notwithstanding any rule of law to the contrary, such Hazardous Substances shall be and remain the sole and exclusive property of the Tenant and shall not become the

property of the Landlord, notwithstanding the degree of affixation to the Leased Premises of the Hazardous Substances or the goods containing the Hazardous Substances. This affirmation of the Tenant's interest in the Hazardous Substances or the goods containing the Hazardous Substances shall not however prohibit the Landlord from dealing with such material as otherwise provided for in this Lease; and

- (ii) the Tenant shall be responsible for all costs incurred in complying with any applicable Laws, including without limitation, air pollution, air quality and environmental control standards, and for investigating, testing, monitoring, controlling, removing, disposing, enclosing, encapsulating or abating any Hazardous Substances, in, on, under, above or which serves the Leased Premises, Building or Lands, or any part thereof, which in the **Landlord's opinion, or the opinion of any Authorities, is or** may be harmful or hazardous to any Person or to the Leased Premises, Building or Lands, or any part thereof, including without limitation, environmental surveys, monitoring, tests and assessments, and the cost of replacing or retrofitting any of the Leased Premises and/or Building systems, or part thereof to comply with the Laws that regulate or prohibit the use or release of any Hazardous Substance, and the cost of any alterations to all or any part of the Leased Premises, Building or Lands, in connection with, or as a result of, this subparagraph (g).

7.23 NUISANCE

The Tenant shall not cause or maintain any nuisance in or about the Leased Premises, and shall keep the Leased Premises free of debris, rodents, vermin and anything of a dangerous noxious or offensive nature or which could create a fire hazard (through undue load on electrical circuits or otherwise) or undue vibration, heat or noise.

7.24 REINSTATEMENT OF LEASED PREMISES

Upon the expiry, surrender or other termination of this Lease, the Landlord may, at its option, require the Tenant to pay the Landlord for the costs to reinstate the Leased Premises including, but not limited to, all costs to:

- (a) remove such Alterations that would restore the Leased Premises to the condition in which they were at the Commencement Date of this Lease, including without limiting the foregoing, any Alterations made by or on behalf of the Tenant to the Leased Premises whether made before or after the Commencement Date of this Lease. Any Alterations installed by or on behalf of the Tenant that are submitted for approval to the Landlord during the Term of the Lease, and any extensions thereof, shall be subject to reinstatement as determined by the Landlord;
- (b) remove from the Leased Premises all of the Tenant's telecommunication and data cabling, unless waived by the Landlord;
- (c) remove: (1) any suite entry and/or lobby signage; (2) any existing **panel(s) with the Tenant's corporate identification on any exterior pylon sign(s)** and replace same with blank panel(s), and (3) building signage, if any, repairing any damage caused to the Building;

- (d) remove any trade fixtures, furniture and rooftop equipment, repairing any damage to the Leased Premises and/or the Building caused by any such removal of trade fixtures, furniture and/or rooftop equipment;
- (e) patch and paint all painted surfaces of the Leased Premises;
- (f) steam-clean carpets;
- (g) remove all debris and waste, and leave Leased Premises in a clean and broom-swept condition;
- (h) rekey all interior offices/rooms should the Tenant fail to provide **access (keys) to the Landlord, all at the Landlord's sole discretion** and option; and
- (i) repair any damage caused to the Leased Premises and/or the Building;

(collectively, the "Reinstatement Costs") PLUS the Management Fee on the Reinstatement Costs.

8.00 LANDLORD'S COVENANTS

The Landlord further covenants with the Tenant:

8.01 QUIET ENJOYMENT

If the Tenant pays the Annual Rent, Additional Rent and all other sums reserved herein and observes and performs the covenants, conditions and agreements set out in this Lease, the Tenant shall and may peaceably possess and enjoy the Leased Premises during the Term without interruption or disturbance from the Landlord. The Tenant shall have access to the Leased Premises, Building and Lands throughout the Term, and any extensions thereof, 24 hours per day, 7 days per week and 52 weeks per year.

8.02 TAXES, ETC.

To pay or cause to be paid all taxes, levies and rates, municipal, parliamentary or otherwise, including, without limiting the generality of the foregoing, water rates with respect to the Lands, the Building or assessed against the Landlord in respect thereof, except those directly assessed or charged to or payable by the Tenant or assessed or charged with reference to the use or occupation of the Leased Premises and except as otherwise provided in this Lease.

8.03 HEATING, VENTILATION AND AIR-CONDITIONING

- (a) To provide for heating, ventilation and air-conditioning ("HVAC") so that when heat is reasonably required for the reasonable use of the Leased Premises, the Landlord will furnish heat therefor up to a reasonable temperature, and when the heating system is not in use and the Landlord considers that air-conditioning is reasonably required, it will operate the air-conditioning systems in the Building providing base building cooling to the Leased Premises proportionately. The Tenant shall be responsible for the cost of any usage **of cooling over and above the Tenant's Proportionate Share**. Any supplemental HVAC equipment requested by the Tenant shall **be at the Landlord's sole approval and discretion, and all costs associated with the purchase and installation of such supplemental HVAC equipment shall be at the Tenant's sole expense**. The monitoring of, repairs to, and maintenance costs (including but not limited to maintenance contracts to be procured by the Landlord)

for: i) any pre-existing or new HVAC equipment, and/or ii) any supplemental HVAC equipment as aforesaid, not forming part of the **Building's systems however** servicing the Leased Premises, shall be an item of Additional Rent;

- (b) The HVAC systems will be maintained by the Landlord during Normal Business Hours except during the making of repairs, and should the Landlord make default in so doing, it shall not be liable for any indirect or consequential damages for personal discomfort or illness due to such default;
- (c) The Landlord reserves the right to temporarily stop the services of the HVAC equipment when necessary upon reasonable notice to the Tenant (except in the case of an emergency) by reason of any accident or any repairs, alterations or Improvements which, in the judgment of the Landlord, are desirable or necessary to be made until such repairs, alterations or Improvements shall have been completed, and the Landlord shall not be liable for any direct, indirect or consequential costs and/or damages due to such shut down;
- (d) The Landlord shall have no further responsibility or liability for failure to supply the HVAC when prevented from doing so by strikes or by any cause beyond the Landlord's reasonable control, or by orders or regulations by any body or authority having jurisdiction, or by other reason of any failure of electrical current, steam or water or suitable power supply or inability upon the exercise of reasonable diligence to obtain such electrical current, steam or water for the operation of the HVAC; and
- (e) In the event the Tenant requires HVAC on days other than Business Days or during hours other than Normal Business Hours ("**Additional HVAC**"), **the Tenant** shall provide the Landlord with at **least two Business Days' prior written notice of its requirement** for Additional HVAC. The Landlord shall provide the Additional HVAC, if it is reasonably feasible to do so, and charge the Tenant as an Extra Service at a reasonable hourly rate as determined by the Landlord, including all additional costs incurred in providing such Additional HVAC. The Landlord shall invoice the Tenant for the hours of Extra Service and the Tenant shall pay to the Landlord the amount of the invoice within thirty (30) days of the date of the invoice.

8.04 REPAIR OF STRUCTURE

To repair, replace and maintain the structural parts of the Building, and to perform such repairs, replacements and maintenance with reasonable dispatch, and in a good and workmanlike manner, at any time and from time to time, and notwithstanding anything contained herein to the contrary, the Tenant shall not be entitled to compensation for any inconvenience, nuisance or discomfort occasioned thereby.

8.05 JANITORIAL SERVICES

To provide, using independent contractors, janitorial and cleaning services as generally provided to other tenants in the Building, to the Leased Premises and Common Areas of the Building. The Landlord shall not be responsible for any act of omission or commission on the part of any contractor, person or persons contracted and/or employed to clean the Leased Premises or the Building. The Landlord shall not be liable for any losses, damages and/or expenses of any kind whatsoever suffered or incurred by the Tenant in connection with the janitorial services provided in this Lease.

8.06 DELAYS IN PROVISION OF SERVICES

It is understood and agreed that whenever and to the extent that the Landlord shall be unable to fulfill, or shall be delayed or restricted in the fulfillment of any obligation hereunder in respect of the supply or provision of any service or utility or the doing of any work or the making of any repairs by reason of being unable to obtain the material, goods, equipment, service, utility or labour required to enable it to fulfill such obligation **beyond the Landlord's** reasonable control, or by reason of any statute, law or order-in-council or any regulation or order passed or made pursuant thereto or by reason of the order or direction of any administrator, controller or board, or any governmental department or officer or other authority, or by reason of not being able to obtain any permission or authority required thereby, or by reason of any other cause beyond its reasonable control whether of the foregoing character or not, the Landlord shall be entitled to extend the time for fulfillment of such obligation by a time equal to the duration of such delay or restriction, and the Tenant shall not be entitled to compensation for any inconvenience, nuisance, discomfort, direct or indirect or consequential damage or damages thereby occasioned.

8.07 **LANDLORD'S INSURANCE**

To maintain in full force and effect throughout the Term, and any extensions thereof, upon such terms and conditions and in such amounts as would be maintained by a prudent owner of a property similar to the Building, the following insurance:

- i) public liability and property damage insurance with respect to the Landlord's operations in the Building;
- ii) "all risk" coverage on a replacement basis and boiler and machinery insurance on all real and personal property owned by the Landlord or from which it is legally responsible comprising or located upon the Lands;
- iii) insurance against loss of the Landlord's gross profit including loss of Monthly Rent and Additional Rent; and
- iv) such other reasonable forms of insurance as the Landlord may from time to time consider advisable.

Notwithstanding any contribution by the Tenant to the cost of the **Landlord's insurance (Operating Costs)**, the Tenant agrees that it is not relieved of liability from acts, faults, negligence or omissions and no insurable interests are conferred on the Tenant under any policies of insurance carried by the Landlord, and the Tenant has no right to receive proceeds under any of these policies.

9.00 TENANT'S FIXTURES

The Tenant may install its usual Trade Fixtures in the usual manner, provided such installation does not damage the structure of the Leased Premises or the Building, and provided further that the Tenant shall have: (i) submitted detailed plans and specifications for such Trade Fixtures to the Landlord and obtained its written consent thereto, which consent shall not be unreasonably withheld; and (ii) repaired any damage occasioned by the removal thereof at the determination of this Lease, to the satisfaction of the Landlord, acting reasonably.

9.01 REMOVAL OF TENANT'S FIXTURES

The Tenant may remove its Trade Fixtures, provided, however, that all

Leasehold Improvements, Alterations, and fixtures other than Trade Fixtures in or upon the Leased Premises, whether placed there by the Tenant or the Landlord, shall immediately upon such placement, be the Landlord's property without compensation therefor to the Tenant and, except as hereinafter mentioned in this paragraph shall not be removed from the Leased Premises by the Tenant at any time either during or after the Term. Notwithstanding anything herein contained, the Landlord shall be under no obligation to repair or maintain the Tenant's Leasehold Improvements, Alterations, and fixtures, save and except for supplemental HVAC equipment as per clause 8.03 of this Lease, or anything in the nature of a Leasehold Improvement made or installed by the Tenant or Landlord or third party; and further, notwithstanding anything herein contained, the Landlord shall have the right upon termination of this Lease by effluxion of time or otherwise, or within six (6) months thereafter, to require the Tenant to reinstate the Leased Premises in accordance with paragraph 7.24.

10.00 DAMAGE OR DESTRUCTION OF LEASED PREMISES

If during the continuation of this Lease, the Building or the Leased Premises are destroyed or damaged by any cause whatsoever, then the following provisions shall apply:

10.01 PARTIAL DAMAGE

If damage shall occur to the Building or the Leased Premises so that all or part of the Leased Premises are rendered untenable by damage from fire or other casualty which, in the reasonable opinion of the Landlord's architect, can be substantially repaired under applicable laws and governmental regulations within ninety (90) days from the date of such casualty (employing normal construction methods without overtime or other premium), the Landlord shall cause such damage to be repaired with all reasonable speed.

10.02 TOTAL DAMAGE

If the Building or the Leased Premises are damaged to such an extent that the Leased Premises are rendered untenable by damage from fire or other casualty which, in the reasonable opinion of the Landlord's architect, cannot be substantially repaired under applicable laws and governmental regulations within ninety (90) days from the date of such casualty (employing normal construction methods without overtime or other premium), then either the Landlord or Tenant may elect to terminate this Lease as of the date of such casualty by written notice delivered to the other not more than ten (10) days after receipt of such architect's opinion (failing which the Landlord shall cause such damage to be repaired at its own expense with all reasonable speed).

10.03 OBLIGATION TO REPAIR

The Landlord's obligation to repair as set forth in the preceding two paragraphs hereof is conditional upon the Landlord receiving adequate proceeds from policies of insurance maintained in respect of such casualties or, if such proceeds are not made available to the Landlord, the Landlord electing to obtain its own financing for such repairs. In the event that no such proceeds of insurance are available to the Landlord and if the Landlord elects not to obtain its own financing for such repairs, then the Landlord shall, by notice in writing to the Tenant delivered within ten (10) days after receipt of the opinion of the Landlord's architect, notify the Tenant that this Lease is terminated, which termination shall be effective as of the date of such casualty. In calculating the amount of insurance proceeds available, the Landlord will be deemed to have received the deductible portion of any insurance policy.

10.04 ABATEMENT OF RENT

If the Landlord is required to repair the damage pursuant to the provisions hereof and does not elect to terminate this Lease, the Annual Rent and Additional Rent payable by the Tenant under this Lease shall be proportionately reduced to the extent that the Leased Premises are thereby rendered unusable by the Tenant in its business from the date of such casualty until completion by the Landlord of the repairs to the Leased Premises and the Building so that the Leased Premises are thereafter fully usable by the Tenant in its business.

10.05 DAMAGE TO 50% OF BUILDING

Notwithstanding anything otherwise contained in this Lease, if fifty percent (50%) or more of the rentable area of the Building is damaged or destroyed and if, in the reasonable opinion of the Landlord's architect, the said rentable area cannot be rebuilt or made fit for the purposes of the tenants thereof within ninety (90) days of the date of such casualty, the Landlord may, at its option, terminate this Lease by giving notice of termination to the Tenant within thirty (30) days of the date of such casualty and the Tenant shall, with reasonable dispatch and expedition, but in any event within sixty (60) days after delivery of the notice of termination, deliver up possession of the Leased Premises to the Landlord and the rent and other payments for which the Tenant is liable hereunder shall be apportioned and paid to the date possession is so delivered up.

10.06 COMPLETION OF REPAIR

Provided that, if, upon the completion by the Landlord of any repairs required as a result of any such destruction or damage, a dispute shall arise between the Landlord and the Tenant as to whether or not the Leased Premises have been made fit for the purposes of the Tenant under this Lease, the Landlord may, at its option, terminate this Lease by giving thirty (30) days' notice to the Tenant, and if such notice shall be given this Lease shall, at the expiration of such period, be at an end and the Tenant shall deliver up the Leased Premises to the Landlord or whom it may appoint and the Landlord may, on demand, recover the full rental hereby reserved computed from the date on which such repairs were completed up to the date on which the Tenant is required to vacate.

11.00 LIABILITY FOR DAMAGE TO PROPERTY

In the absence of a finding of negligence or willful act or default on the part of the Landlord, its employees, agents or workmen:

- (a) the Landlord shall not be liable or responsible in any way for any loss, damage or injury to any person or for any loss of or damage to any property belonging to the Tenant, to employees of the Tenant or to any other person while such property is in the Leased Premises or in the Building or in or on the surrounding Lands and buildings owned by the Landlord, the areaways, the parking garages, the parking areas, lawns, sidewalks, reflective pools, steps, platforms, corridors, stairways or elevators whether or not any such property has been entrusted to employees of the Landlord and without limiting the generality of the foregoing, and
- (b) the Landlord shall not be liable for any damage to any such property caused by theft or breakage or by steam, water, rain or snow which may leak into, issue or flow from any part of the Building or from the water, steam or drainage pipes or plumbing works of the Building or from any other place or quarter or for any damage caused by or attributable to the condition or arrangement of any

electric or other wiring or for any damage caused by smoke or anything done or omitted by any other tenant in the Building or for any other loss whatsoever with respect to the Leased Premises, goods placed therein or any business carried on therein.

12.00 DEFAULT (INCLUDING BANKRUPTCY) OF TENANT

Any of the following shall constitute a default under this Lease if:

- (a) Annual Rent or Additional Rent hereby reserved or any part thereof shall not be paid on the day appointed for payment thereof, whether lawfully demanded or not, and such breach is not cured within five (5) Business Days after written notice by the Landlord requiring the Tenant to rectify the same;
- (b) There is a breach or non-observance or non-performance of any of the covenants, agreements, provisos, conditions or Rules and Regulations (Schedule C attached to this Lease) on the part of the Tenant to be kept, observed or performed, and such default shall continue for ten (10) days (or if it is not possible to cure such default within ten days, such longer period of time as may be reasonable in the circumstances, provided the Tenant is diligently pursuing the curing of the default and thereafter continues to diligently pursue such efforts to cure to completion after written notice by the Landlord requiring the Tenant to rectify the same);
- (c) the Leased Premises are used for a purpose not permitted under this Lease without **the Landlord's prior written consent**;
- (d) the Leased Premises are occupied by a person (other than the Tenant) in a manner that is not permitted under this Lease and **without the Landlord's** prior written consent;
- (e) the Leased Premises shall be vacated or remain unoccupied for fifteen (15) days;
- (f) the Term or a substantial portion of the goods and chattels of the Tenant at the Leased Premises shall be at any time seized in execution or attachment by any creditor of the Tenant and such seizure or attachment is not set aside within ten (10) days after being made;
- (g) the Tenant becomes bankrupt or insolvent (and such bankruptcy is not remedied or set aside within ten (10) days after written notice from the Landlord to the Tenant) or takes the benefit of any statute for bankrupt or insolvent debtors or makes any proposal, assignment or arrangement with its creditors; or
- (h) any steps are taken or any actions or proceedings are instituted by the Tenant or any court or government body of competent jurisdiction for the dissolution, wind-up or liquidation of the Tenant other than a *bona fide* corporate reorganization;

then and in every such case, it shall be lawful for the Landlord thereafter to enter into and upon the Leased Premises, or any part thereof, in the name of the whole and the same to have again, repossess and enjoy as of its former estate, in which case the then current Monthly Rent and Additional Rent, and the next ensuing three (3) **months'** Monthly Rent, Additional Rent and any other payments, including but not limited to, any cash allowances, tenant inducement payments and the value of any other benefit paid to or conferred on the Tenant by or on behalf of the Landlord in

connection with this Lease shall immediately become due and be paid, and the Landlord may re-enter and take possession of the Leased Premises as though the Tenant or other occupant or occupants of the Leased Premises was or were holding over after the expiration of the Term without any right whatever. Notwithstanding anything contained in this Lease to the contrary, it shall not be unreasonable for the Landlord to withhold its consent at any time when the Tenant is in default hereunder and has not cured such default within the applicable time period(s) specified above.

13.00 RE-ENTRY BY LANDLORD

The Tenant further covenants and agrees that on the Landlord's becoming entitled to re-enter upon the Leased Premises under any of the provisions of this Lease, the Landlord, in addition to all other rights, shall have the right to enter the Leased Premises as the agent of the Tenant either by force or otherwise, without being liable for any prosecution therefor and to relet the Leased Premises as the agent of the Tenant, and to receive the rent therefor and as the agent of the Tenant, to take possession of any furniture or other property on the Leased Premises and to sell the same at public or private sale without notice and to apply the proceeds of such sale and any rent derived from reletting the Leased Premises upon account of the rent under this Lease, and the Tenant shall be liable to the Landlord for the deficiency, if any.

14.00 RIGHT OF TERMINATION

The Tenant further covenants and agrees that on the Landlord becoming entitled to re-enter upon the Leased Premises under any of the provisions of this Lease, the Landlord, in addition to all other rights, shall have the right to determine forthwith this Lease and the Term by leaving upon the Leased Premises notice in writing of its intention to do so, and thereupon, Monthly Rent and Additional Rent shall be computed, apportioned and paid in full to the date of such determination of this Lease, and any other payments for which the Tenant is liable under this Lease shall be paid and the Tenant shall immediately deliver up possession of the Leased Premises to the Landlord, and the Landlord may re-enter and take possession of the same without limiting the generality of the foregoing, in addition to any other rights the Landlord may have against the Tenant, in the event the Tenant wishes to terminate this Lease early, the Tenant shall be liable for the unamortized balance of the cost of the Leasehold Improvements, amortized over the Term of this Lease on a straight line basis.

15.00 DISTRESS

The Tenant waives and renounces the benefit of any present or future statute taking away or limiting the Landlord's right of distress, and covenants and agrees that notwithstanding any such statute, none of the goods and chattels of the Tenant on the Leased Premises at any time during the Term shall be exempt from levy by distress for rent in arrears. In the event that the Tenant shall remove or permit the removal of any of its goods or chattels from the Leased Premises, the Landlord may within thirty (30) days thereafter and if the Tenant is in arrears of rent, seize such goods and chattels wherever the same may be found and may sell or otherwise dispose of the same as if they had actually been distrained upon the Leased Premises by the Landlord for arrears of rent.

16.00 NON-WAIVER

No condoning, excusing or overlooking by the Landlord of any default, breach or non-observance by the Tenant at any time or times in respect of any covenant, proviso or condition herein contained shall operate as a waiver of the Landlord's rights hereunder in respect of any continuing or

subsequent default, breach or non-observance, or so as to defeat or affect in any way the rights of the Landlord herein in respect of any such continuing or subsequent default or breach, and no waiver shall be inferred from or implied by anything done or omitted by the Landlord save only express waiver in writing. All rights and remedies of the Landlord in this Lease contained shall be cumulative and not alternative.

17.00 CHANGES TO BUILDING

The Landlord hereby reserves the right at any time and from time to time to make changes in, additions to, subtractions from or rearrangements of the Building including, without limitation, all Improvements at any time thereon, all entrances and exits thereto, and to grant, modify and terminate easements or other agreements pertaining to the use and maintenance of all or parts of the Building and to make changes or additions to the pipes, conduits, utilities and other necessary building services in the Leased Premises which serve other premises, provided that prior to the commencement of the Term, the Landlord may alter or relocate the Leased Premises to the extent found necessary by the Landlord to accommodate changes in construction design or facilities including major alterations and relocations. The Landlord agrees that in performing such alterations, it shall do so in a manner so as to minimize any material interference with the Tenant's use and enjoyment of the Leased Premises. The Landlord shall also have the right during the Term, and any extensions thereof, at its reasonable expense to relocate the Tenant to an alternate location in a building owned by the Landlord in the City of Ottawa.

18.00 SEVERANCE OF LAND

The Landlord shall have the right from time to time to sever (for purposes of sale, lease, mortgage, charge or otherwise) any part or parts of the Lands or any buildings or Improvements thereon, including the creation of rights-of-way, easements and parking arrangements which the Landlord deems necessary, and the Tenant hereby consents to any such severance and agrees to execute, at no cost to either party, any documents or consents which the Landlord may request for these purposes. If any part or parts of the Lands or the buildings or Improvements on the Lands are so severed and are deemed by the Landlord to no longer form part of the property, such part or parts shall be excluded from the Lands and the property for the purposes of this Lease at the time designated by the Landlord, and the Tenant shall when requested by the Landlord, execute, at no cost to either party, a release of any interest in the Lands so excluded.

19.00 COSTS OF COLLECTION

The Tenant shall pay, as Additional Rent, all costs, expenses and legal fees (on a substantial indemnity basis) that may be incurred or paid by or on behalf of the Landlord in enforcing the covenants and provisions of this Lease.

20.00 PROFITS AND REMEDIES BY LANDLORD

In addition to all rights and remedies available to the Landlord under the provisions of this Lease or by statute or the general law in the event of any default by the Tenant of the provisions of this Lease:

20.01 PAYMENTS TO THIRD PARTIES

The Landlord shall have the right at all times to remedy or attempt to remedy any default of the Tenant after any applicable notice and expiry of any cure period, and in so doing, may make any payments due or alleged

to be due by the Tenant to third parties and may enter upon the Leased Premises to do any work or other things therein, and in any such event, all costs and expenses of the Landlord in remedying or attempting to remedy such default shall be payable by the Tenant to the Landlord forthwith upon demand as Additional Rent.

20.02 NON-PAYMENT OF ADDITIONAL RENT

The Landlord shall have the same rights and remedies in the event of any non-payment by the Tenant of any amounts payable by the Tenant under any provision of this Lease as in the case of non-payment of rent and may be recovered by the Landlord as rent by any and all remedies available to the Landlord for the recovery of rent in arrears.

20.03 INTEREST ON ARREARS

The Landlord shall, if the Tenant shall fail to pay any Monthly Rent, Additional Rent or other amounts from time to time payable by it to the Landlord hereunder promptly when due, be entitled to interest on all such Annual Rent, Additional Rent and other amounts which are unpaid and overdue under this Lease and the parking agreement, such interest to be compounded monthly thereon and to be computed at a rate equal to six percent (6%) per annum in excess of the minimum lending rate to prime commercial borrowers from time to time charged by the Royal Bank of Canada or such other chartered bank as the Landlord may designate, from the date upon which such Monthly Rent, Additional Rent and other amounts was due until actual payment thereof. The Tenant acknowledges and agrees that the Landlord shall be entitled to recover from the Tenant as Additional Rent all costs and fees associated with any monies paid under this Lease being returned as "**non-sufficient funds**" or **classified** similarly.

21.00 NOTICE

- (a) Any notice required or contemplated by any provisions of this Lease shall be given in writing, enclosed in a sealed envelope addressed, and mailed by registered mail, postage prepaid, or emailed or faxed:
 - (i) in the case of notice to the Landlord to: KRP Properties, 555 Legget Drive, Tower B, Suite 300, Ottawa, Ontario, Canada, K2K 2X3, fax: 613-591-0018, email: lsprung@krpproperties.com, and
 - (ii) in the case of notice to the Tenant to it at the Leased Premises, fax: _____, email: michael@mpxinternationalcorp.com
- (b) Any notice delivered by hand shall be deemed to have been validly and effectively given on the day of such delivery if delivered before 4:00 p.m. on a Business Day, or on the next Business Day if delivered on a non-Business Day, or after 4:00 p.m. on the previous Business Day. Any notice sent by registered mail (except during a postal disruption or threatened postal disruption in which event the parties must send notice using one of the alternate methods set out above) shall be conclusively deemed to have been given on the day on which such notice is delivered, or on the fifth (5th) Business Day following **Canada Post's** notice to the effect that such registered mail is available for pick up following an unsuccessful delivery attempt (if any), as the case may be. Any notice sent by facsimile and/or email shall be deemed to have been validly and effectively given on the day it was sent if sent before 4:00 p.m. on a Business Day, or on the next Business Day if sent on a non-Business Day or after 4:00 p.m. on the previous Business Day. Either party may from time to time by notice to the other party change its address for

service hereunder provided that such address shall be in the Province of Ontario.

- (c) Provided that either party may, by notice to the other, from time to time, designate another address in Canada, or other fax number or email address, to which notices mailed more than ten (10) days thereafter shall be addressed;
- (d) The word "notice" in this paragraph shall include any request, demand, direction, or statement in this Lease provided or permitted to be given by the Landlord to the Tenant or by the Tenant to the Landlord.

22.00 SUBORDINATION, POSTPONEMENT, ATTORNMENT

The Tenant shall promptly upon the written request of the Landlord, enter into an agreement:

- (a) subordinating the Term and the rights of the Tenant hereunder to any mortgage, charge, ground lease, trust deed or debenture present or future and all renewals, modifications, replacements or extensions thereof, which may affect the Leased Premises, the Property, the Lands or the Building; and
- (b) agreeing that the Term hereof shall be subsequent in priority to any such mortgage, charge, ground lease, trust deed or debenture;

provided that the Tenant's obligations under this paragraph shall be conditional upon any such mortgagee or secured party entering into a non-disturbance agreement which is in a form and substance acceptable to the mortgagee with the Tenant under which the Tenant's continued possession of the Leased Premises is ensured notwithstanding any act taken by the mortgagee or secured party. The Tenant agrees that the Landlord shall be entitled to charge a fee (plus any applicable taxes) to the **Tenant for the Landlord's review, consideration, and/or execution** of any document produced by the Tenant for the **Landlord's execution**, subsequent to the execution of this Lease. The Landlord shall in no way be obligated to enter into and/or execute any such document.

22.01 TENANT'S RIGHT TO POSSESSION

Notwithstanding any postponement or subordination referred to herein, the Tenant acknowledges that its obligations under this Lease shall remain in full force and effect notwithstanding any action at any time taken by a mortgagee, chargee or ground lessor to enforce the security of any mortgage charge, ground lease, trust deed or debenture; provided, however, that any postponement or subordination given hereunder shall reserve to the Tenant the right to continue in possession of the Leased Premises under the terms of this Lease so long as the Tenant shall not be in default hereunder.

22.02 ATTORNMENT BY TENANT

The Tenant, whenever requested by any mortgagee (including any trustee under a deed of trust and mortgage), chargee or ground lessor, shall attorn to such mortgagee, chargee or ground lessor as a tenant upon all the terms of this Lease.

23.00 CERTIFICATE

The Tenant shall at any time and from time to time execute and deliver to the Landlord, or as the Landlord, a mortgagee or a purchaser may direct, within five (5) Business Days after it is requested, a certificate of the

Tenant, in the form supplied, addressed to the Landlord, the mortgagee or the purchaser, as the case may be, and/or any prospective purchaser, lessor or mortgagee, certifying such particulars, information and other matters in respect of the Tenant, the Leased Premises and this Lease that the Landlord, the mortgagee or the purchaser, as the case may be, may request.

24.00 REGISTRATION

- (a) Neither the Tenant, nor anyone **on the Tenant's behalf or** claiming under the Tenant, shall register this Lease, or any assignment or sublease of this Lease, or any document evidencing an interest of the Tenant in this Lease or the Leased Premises, against the Lands or any part thereof, **without the Landlord's prior** written consent.
- (b) Provided the Landlord has provided its consent to register this Lease on title to the Lands, and the Tenant pays to the Landlord the sum of Three Hundred Dollars (\$300.00) plus HST, the Tenant may register, at its cost, contemporaneously with the execution of this Lease, a notice or caveat of this Lease provided that: (i) a copy of the Lease is not attached; (ii) no financial and/or marketing terms are disclosed; and (iii) the Landlord **signs the Tenant's** Acknowledgement and Direction giving its written approval to the notice or caveat as to form and content. The Landlord may limit such registration to one or more parts of the Lands on which the Leased Premises are situated. Upon the expiration or other termination of this Lease, the Landlord shall prepare and register a discharge of such notice or caveat registered by the Tenant, at the **Landlord's sole expense.**
- (c) The Tenant authorizes the Landlord as agent to register a notice or caveat of this Lease should registration of this Lease be required by **the Landlord's lender/chargee**, and the Landlord agrees to be responsible for discharging any such notice that it registers on title, all at the **Landlord's cost.**
- (d) If any part of the Lands which in the opinion of the Landlord are surplus is transferred, the Tenant shall forthwith at the request of the Landlord discharge or otherwise vacate any such notice or caveat as it relates to such part. If any part of the Lands is made subject to any easement, right-of-way or similar right, the Tenant shall immediately at the request of the Landlord postpone its registered interest to such easement, right-of-way or similar right.

25.00 PLANNING ACT

Where applicable, this Lease shall be subject to the condition that it is effective only if the *Planning Act*, (Ontario), as amended is complied with. Pending such compliance, the Term and any extension thereof shall be deemed to be for a total period of one (1) year less than the maximum lease term permitted by law without such compliance.

26.00 TRANSFER BY LANDLORD

In the event of a sale, transfer or lease by the Landlord of the Building, the Lands or a portion thereof containing the Leased Premises or the assignment by the Landlord of this Lease or any interest of the Landlord hereunder, the Landlord shall, without further written agreement, to the extent that such purchaser, transferee or lessee has become bound by the covenants and obligations of the Landlord hereunder, be freed, released and relieved of all liability or obligations under this Lease incurred or arising after the date of such sale, transfer or lease.

27.00 NO ADVERTISING OF LEASED PREMISES

The Tenant shall not print, publish, post, display or broadcast any notice or

advertisement to the effect that the whole or any part of the Leased Premises are for rent, and it shall not permit any broker or other person to do so without the consent in writing of the Landlord.

28.00 CABLING

The Tenant may install, maintain, replace, remove or use any communications or computer wires, lines and cables serving the Leased Premises (collectively, **the "Cabling"**), provided that:

- (a) the Tenant shall obtain the Landlord's prior written consent;
- (b) any person wishing to install and/or modify in-building telecommunication cabling, conduit, and/or equipment must adhere to the **Landlord's Telecommunication Wiring** and Construction guidelines;
- (c) the Cabling shall be clearly marked with adhesive plastic labels (or plastic tags attached to such Cabling with wire) to show the **Tenant's name, suite number, telephone number** and the name of the person to contact in case of an emergency:
 - (i) every four (4) feet outside the Leased Premises (including the electrical room risers and other Common Areas), and
 - (ii) at the Cabling termination point(s);
- (d) any new or existing Cabling serving the Leased Premises shall comply with all applicable Laws;
- (e) as a condition to permitting the installation of new Cabling, if the Landlord does not intend to demolish the Leased Premises at the end of the Term, Landlord may require, in its sole discretion, the Tenant to remove existing Cabling located in or serving the Leased Premises and repair any damage in connection with such removal; and
- (f) the Tenant shall pay all costs in connection therewith and such costs shall be an item of Additional Rent.

29.00 TIME OF ESSENCE

Time shall be of the essence of this Lease.

30.00 LAWS OF ONTARIO

This Lease shall be deemed to have been made in and shall be construed in accordance with the laws of the Province of Ontario. The parties to this Lease agree that all actions, applications, claims, proceedings, arbitrations and all adjudications whatsoever arising from this Lease, and the interpretation thereof, shall be commenced in and adjudicated in the City of Ottawa, in the Province of Ontario, Canada.

31.00 SEVERABILITY OF COVENANTS

The Landlord and the Tenant agree that all of the provisions of this Lease are to be construed as covenants and agreements as though the words importing such covenants and agreements were used in each separate paragraph hereof. Should any provision or provisions of this Lease be illegal or not enforceable it or they shall be considered separate and severable from this Lease and its remaining provisions shall remain in force and be binding upon the parties hereto as though the said provision or provisions had never been included.

32.00 HEADINGS

The headings contained in this Lease are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. Unless the context requires otherwise, words importing number include the singular and the plural and *vice versa*, and words importing gender include

all genders.

33.00 SCHEDULES

The following Schedules attached hereto form part of this Lease:

Schedule A – Legal Description
 Schedule B – Floor Plan
 Schedule C – Rules and Regulations
 Schedule D – Parking
 Schedule E – Option to Extend
 Schedule F – Environmental Management Plan
 Schedule G – Leasehold Improvements
 Schedule H – Additional Terms

34.00 LEASE ENTIRE AGREEMENT

The Tenant acknowledges that there are no covenants, representations, warranties, agreements or conditions expressed or implied, collateral or otherwise forming part of or in any way affecting or relating to this Lease save as expressly set out in this Lease, and this Lease constitutes the entire agreement between the Landlord and the Tenant and may not be modified except as herein explicitly provided or except by subsequent agreement in writing executed by the Landlord and the Tenant.

35.00 AUTHORIZATIONS AND SUCCESSORS

Each person signing this Lease represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver this Lease. Each party represents and warrants to the other that the execution and delivery of this Lease and **the performance of such party's obligations** hereunder have been duly authorized and that the Lease is a valid and legal agreement binding on such party and enforceable in accordance with its terms. This Lease shall enure to the benefit of, and be binding upon, the respective heirs, estate trustees, permitted successors and assigns, of the Tenant and other legal representatives as the case may be. Where there is more than one tenant or a corporation, the provisions hereof shall be read with all necessary grammatical and all covenants shall be deemed joint and several.

36.00 JOINT AND SEVERAL COVENANT

If more than one person and/or corporate entity executes this Lease as Tenant, each such person and/or corporate entity shall be bound jointly and severally with the other(s), waiving the benefit of division and discussion, for the fulfillment of all of the obligations of Tenant hereunder.

37.00 CONFIDENTIALITY

The Tenant, and those for whom the Tenant is in law responsible, shall keep confidential all financial information, terms and conditions in respect of the offer to lease and this Lease (as applicable) (the "Information"), provided that it may disclose the Information to its auditors, consultants, real estate representatives, professional advisors and subtenants so long as they have first agreed to respect such confidentiality. The Tenant (and indemnifier, as applicable) that is a corporate entity, or is an individual person, consents to the collection and use of its/their personal information, as provided directly or collected from third parties, for the purposes of the **Landlord considering the Tenant's** offer to lease and/or lease, and determining the suitability of the Tenant (and Indemnifier, as applicable), both initially and on an on-going basis, including the disclosure of the Information to existing and potential lenders, investors and purchasers.

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38.00 EXECUTION IN COUNTERPARTS, FACSIMILE AND EMAIL

This Lease, and all amendments, assignments, consents, and letter agreements in relation thereto, may be executed in one or more counterparts, all of which shall be construed together and shall constitute one agreement. The parties agree that this Lease may be executed and delivered by electronic means, and the reproduction of signatures electronically will be treated as though such reproduction were executed originals.

IN WITNESS WHEREOF the parties hereto have executed this Lease as of the date first above written.

KRP PROPERTIES

a division of Wesley Clover International Corporation

Per: 
Martin A. Vandewouw
President, KRP Properties
I have the authority to bind the corporation.

MPX INTERNATIONAL CORPORATION

Per: 
Name: Michael Arnkvam
Title: COO MPXI Canada

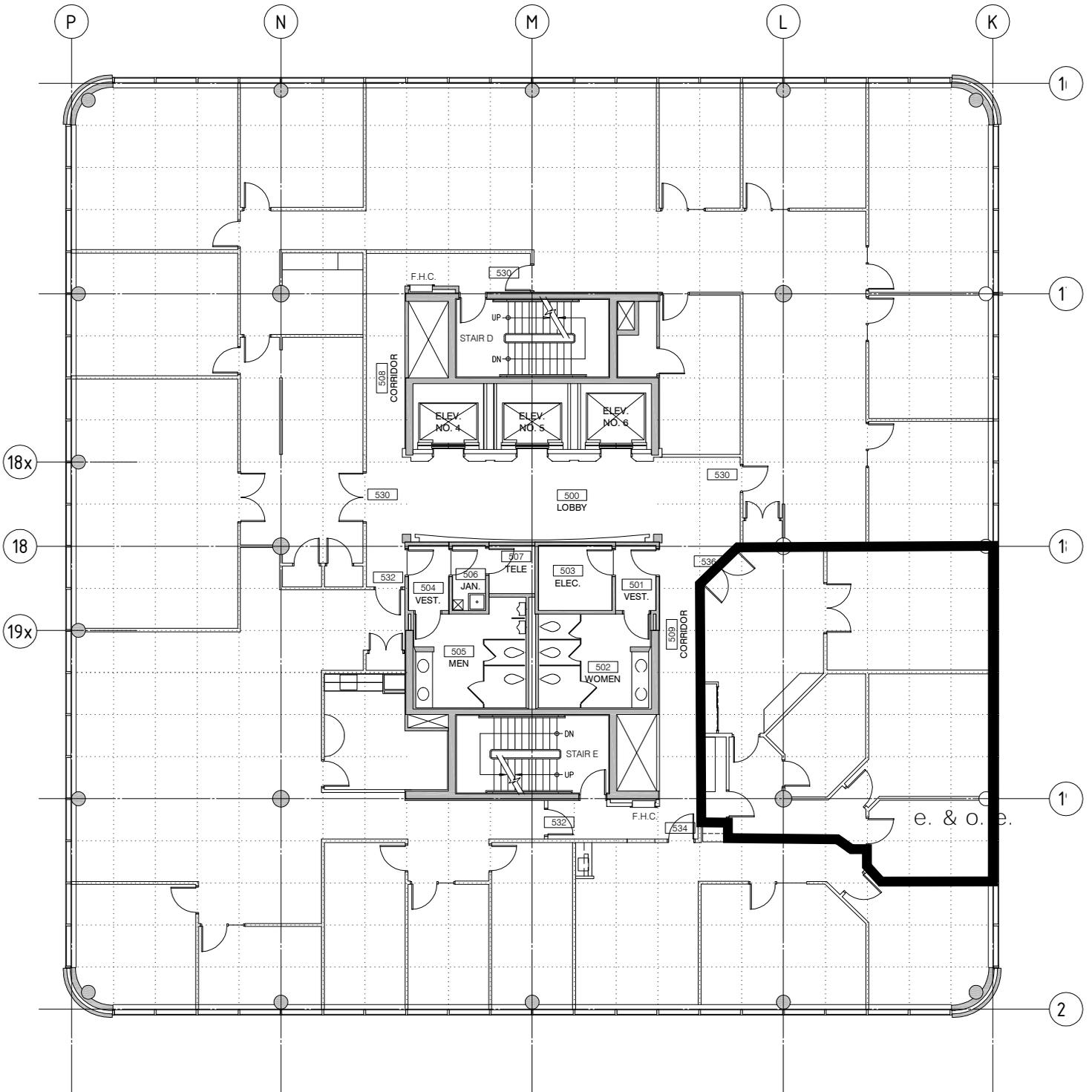
Per: _____
Name:
Title:
I/We have the authority to bind the corporation.

SCHEDULE A
LEGAL DESCRIPTION

- FIRSTLY
PIN: 04517-1170 Part Block 2, Plan 4M-642, being Parts 1 and 2 on Plan 4R-13076, and Part Lot 8, Concession 4, being Parts 1, 2 and 3 on Plan 4R-17106, all in the City of Ottawa.
- SECONDLY
PIN: 04517-1171 Part Lot 8, Concession 4, Ottawa, being Parts 5 and 6 Plan 4R-16648 and Parts 4, 5 and 9 Plan 4R-17106.
- THIRDLY
PIN: 04517-0902 Part Block 10, Plan 4M-1096, Part 1, Plan 4R-16648;
- FOURTHLY
PIN: 04517-1135 Part of Lot 8, Concession 4 (March) and Part of Blocks 10 and 11 on Plan 4M-1096, being Parts 2 and 23 on Plan 4R-16648 and Parts 6, 8, 10 and 15 on Plan 4R-17106 and Parts 11 and 13 Plan 4R17106 except Parts 1 and 2 Plan 4R18407, Ottawa..
- FIFTHLY
PIN: 04517-1172 Part of Block 2, Plan 4M-642, and Part Lot 8, Concession 4, being Parts 1 to 7 Plan 4R-12934, save and except Part 15 Plan 4R-17106, all in the City of Ottawa.

SCHEDULE B

FLOOR PLAN OF LEASED PREMISES



SCHEDULE C RULES AND REGULATIONS

The Tenant and its invitees and employees shall observe the following rules and regulations (as added to, amended or modified from time to time by the Landlord).

1. The sidewalks, entrances, elevators, stairways, passageways, shipping areas, Common Areas and corridors of the Building shall not be obstructed or used for any other purpose by the Tenant other than for ingress and egress to and from the Leased Premises. The Tenant shall not place or allow to be placed in such areas or facilities any waste paper, garbage, refuse or anything that shall tend to make such areas appear unclean or untidy.
2. The Tenant and its employees shall use washrooms only for the purpose for which they were designed (standing on the toilet, and the washing of body parts, are not permitted), and nothing shall be placed in toilets that might cause them to block.
3. Peak periods are between 8 a.m. and 10 a.m. in the morning, between 12 noon and 2 p.m. in the afternoon, and between 4 p.m. and 6 p.m. in the evening. Between peak periods, the elevators will be used for transporting passengers only and during these periods no large parcels or items of equipment will be permitted on the elevators.
4. The Tenant shall make arrangements with the Landlord ahead of time when elevators are to be used for carrying freight or furniture, etc. Elevators must not be used for this purpose until the Landlord has given its consent and the elevator cabs have been properly protected.
5. The Landlord's janitors shall be permitted prompt access to the Leased Premises for the purpose of cleaning.
6. The Tenant shall not make any noise which might disturb other tenants.
7. No animals or bicycles (or other modes of transportation) shall be brought into the Leased Premises or the Building, without the Landlord's prior written consent.
8. The Leased Premises shall not be used as overnight sleeping accommodation, for public sales, nor for entertaining purposes.
9. The Tenant shall make arrangements with the Landlord ahead of time if any public meeting is to be held in the Leased Premises or Common Areas, and the meeting shall not be held until the Landlord's written consent is obtained.
10. The Tenant shall make arrangements with the Landlord ahead of time to install any business machines, electric appliances, etc. and these installations will not be made until the Landlord's consent is obtained.
11. The Tenant will not alter any existing locks nor will any additional locks or similar devices be attached to any door or window.
12. Keys or other devices which are made available to the Tenant for the purpose of providing access to the exterior doors of the Building shall not be duplicated and shall be returned to the Landlord immediately upon termination/expiration of this Lease.
13. All adjustments to mechanical equipment such as thermostats, radiators, diffusers, etc. shall be made by the Landlord's staff and no one else.
14. If the Tenant wishes to install any drapes or blinds in any of the windows on the perimeter of the Building, or on any window of the Leased Premises facing the interior/Common Areas of the Building, the Landlord's prior written consent must be obtained, and further the drapes or blinds installed must conform to a uniform colour and style which the Landlord may in its absolute discretion establish.
15. The Tenant shall not place anything next to, or have displayed in, the windows of the Leased Premises facing into the Common Areas so as to be visible therein, without the prior written consent of the Landlord.
16. No admittance by the Tenant or its agents is permitted on the roof or equipment rooms of the Building, without the Landlord's prior written consent.
17. It shall be the responsibility of the Tenant to prevent any person in the Leased Premises, and over whom the Tenant is responsible at law, from throwing objects out of windows of the Leased Premises (as applicable), or off balconies (as applicable), and the Tenant shall pay for any cost, damage or injury resulting from any such acts. Tenant shall not place anything on the balcony (as applicable) without the prior written consent of the Landlord. Barbecues are not permitted on balconies. Smoking is not permitted on balconies. Windows and/or doors to balconies (as applicable) are not to be left open so as to admit rain or snow.
18. The Tenant shall provide adequate receptacles for garbage, refuse and waste paper and all such garbage, refuse and waste paper shall be placed in such containers. The Leased Premises shall be kept in a tidy, healthy and clean condition.

19. The Tenant shall not bring upon the Leased Premises any heavy equipment, or any other item which might overload floors and/or damage the Leased Premises and/or the Building.
20. The Tenant shall not use or keep inflammable materials in the Leased Premises.
21. The Parking Facilities are to be used only for the parking of non-recreational vehicles during Business Hours. The use of the Parking Facilities for any other purpose is strictly prohibited. The Landlord shall not be responsible for any theft, loss or damage to vehicles parked in the Parking Facilities whatsoever, howsoever caused, or for any injury to the Tenant or others in or on the Parking Facilities whether or not parking charges are imposed. The Landlord shall have the right to establish rules and regulations governing the use of the Parking Facilities from time to time and the Tenant hereby agrees to observe and abide by all such rules and regulations.
22. The Landlord shall have the right to establish rules and regulations governing the use of the electric vehicle charging stations ("EV Stations") from time to time and the Tenant hereby agrees to observe and abide by all such rules and regulations.
23. All moving of the Tenant's chattels and Trade Fixtures and other fixtures from or to the Leased Premises shall be performed after Normal Business Hours and shall be supervised by the Landlord, its agents or a security guard all at the Tenant's expense.
24. Smoking is prohibited in all Common Areas and in front of the Building, and nine meters from all entrances/exits of the Building, save and except designated smoking shelters.
25. Tenant shall respect all parking signage on the Property, including but not limited to: visitor time limited parking (which shall be used only for invitees), reserved, handicap, maternity, EV Stations, and fire route, failing which user may be ticketed.

The foregoing rules and regulations, as from time to time amended, are not necessarily of uniform application, but subject to clause 7.02 (Rules and Regulations) may be waived in whole or in part in respect of other tenants without affecting their enforceability with respect to the Tenant or the Leased Premises. There is no obligation on the Landlord to enforce the rules and regulations, and the Landlord shall not be liable by reason of their non-enforcement.

SCHEDULE D

PARKING

1. During the Term, the Landlord agrees that the Tenant is entitled to four (4) surface parking spaces, in the parking facilities located on the Lands including the parking structure for which parking rates apply ("Parking Facilities"). Surface parking is provided on a first-come first-served basis, free of charge.
2. The Landlord shall not be responsible for any theft, loss or damage to the Tenant's vehicles whatsoever, howsoever caused, or for injury to the Tenant or others in the Parking Facilities, howsoever caused.
3. The Landlord shall have the right to establish rules and regulations governing the use of the Parking Facilities from time to time and the Tenant hereby agrees to observe and abide by all such rules and regulations.

SCHEDULE E

OPTION TO EXTEND

1. Provided the Tenant has not been in material default during the Term of this Lease and occupies the Leased Premises actively operating its business therefrom, and has not assigned this Lease or sublet all or a portion of the Leased Premises, the Tenant shall have and is hereby granted an option to extend this Lease for a further term of five (5) years ("Extended Term") provided that in order to exercise this option, the Tenant shall be required to give to the Landlord notice of the exercise of such option in writing not less than nine (9) months prior to the date of expiry of the initial Term.
2. Any extension pursuant to this proviso shall be on the same terms and conditions contained in this Lease except:
 - (a) there shall be no additional right of extension, no Leasehold Improvements, no Tenant's work or free rent;
 - (b) the Annual Rent payable by the Tenant for the Extended Term shall be as agreed upon by the Landlord and Tenant which shall be at the then current market rates for similar premises in a similar office environment having access to a large business park complex of Class A type buildings in the City of Ottawa; such agreement to be reached not later than three (3) months prior to the expiry of the original Term. Failing such agreement, this option shall be null and void and of no further force and effect.
3. This schedule shall not create a perpetual right of extension and accordingly the Tenant shall have the right to exercise its option to extend only in respect of the Extended Term as herein provided.

SCHEDULE F

ENVIRONMENTAL MANAGEMENT PLAN

A. ENVIRONMENTAL OBJECTIVES

1. Context

The provisions of this Environmental Management Plan have been designed to encourage and promote the implementation of certain environmental objectives on the part of each of the Landlord and the Tenant. Subject to clause D below, a breach by either the Landlord or the Tenant of any of the provisions of this Environmental Management Plan on the part of either the Landlord or the Tenant to be observed or performed, as the case may be, shall not constitute a default under this Lease, however the party committing such breach agrees, to the extent possible under the circumstances, to use commercially reasonable efforts to cooperate with the other party to remedy such breach.

2. General Objectives

The Tenant acknowledges the Landlord's intention to operate the Building so as to provide for:

- (a) a comfortable, productive and healthy indoor environment;
- (b) reduced energy use;
- (c) reduced use of production, both direct and indirect, of Greenhouse Gases (as defined below);
- (d) reduced use of potable water and the use of recycled water where appropriate;
- (e) the effective diversion of construction, demolition, and land-clearing waste from landfill and incineration disposal, and the recycling of tenant waste streams;
- (f) the use of cleaning products certified in accordance with EcoLogo (Canada), Green Seal (United States) or equivalent standards;
- (g) the facilitation of alternate transportation options for individuals attending at the Building; and
- (h) **the avoidance of high volatile organic compound ("VOC") materials, furniture and Improvements (and Leasehold Improvements) within the Building and individual tenant premises;**

hereinafter referred to as the **("Environmental Objectives")**. "Greenhouse Gas" and "Greenhouse Gases" shall mean any or all of carbon dioxide, methane, nitrous oxide, CFC-11, CFC-12, Halon 1301, HCFC-22, Perfluoroethane, Sulfur Hexafluoride and ozone.

3. Regulatory Standards

Notwithstanding the provisions of paragraph 2 above, in the event that any governmental authority imposes a resource reduction target on the Building for any utility or resource otherwise than as set out in paragraph 2 above, then the within Environmental Objectives shall be deemed to have been amended so as to stipulate such resource reduction target and all changes required to be made by the Landlord to the Environmental Management Plan, or which are necessitated as a result of such mandatory resource reduction target, shall be deemed to be included and permitted, as the case may be, pursuant to the provisions of this paragraph and this Lease.

4. Carbon Offsets

The Landlord shall be entitled to all Carbon Offset Credits that may be created, credited or recoverable as a result of activities conducted within the Leased Premises or the Building, excluding Carbon Offset Credits to which the

Tenant is entitled in accordance with applicable law. The Landlord shall be entitled to allocate, acting reasonably, Carbon Offset Credits created with the participation of the Tenant and/or other tenants in the building. "Carbon Offset Credits" shall mean and refer to activities undertaken by either the Landlord or the Tenant which cause, directly or indirectly, measurable Greenhouse Gas emission reductions or removal enhancements within or in respect of the Building and that have financial or exchange value in the regulatory or voluntary market.

B. ENVIRONMENTAL MANAGEMENT PLAN IMPLEMENTATION

The Tenant agrees to conduct its operations in the Building and within the Leased Premises in accordance with the following provisions:

1. Comfortable, Healthy and Productive Indoor Environment
 - (a) The Landlord shall be entitled at any time and from time to time to undertake Greenhouse Gas production monitoring and testing, including testing within the Leased Premises, on reasonable notice to the Tenant and accompanied by a representative of the Tenant if required, which representative the Tenant agrees to make available.
 - (b) The Tenant shall ensure that all work done within the Leased Premises by the Tenant or its representative shall be undertaken in accordance herewith and with the leasehold improvement provisions in this Lease. Notwithstanding the foregoing, the Tenant shall specify that all paints, sealants and adhesives used or to be used within the Leased Premises meet EcoLogo (Canada), Green Seal (United States) or equivalent standards so as to ensure no or low emissions of VOCs within the Building. The Landlord may from time to time conduct tests to measure VOCs within the Leased Premises.
 - (c) The Tenant shall have regard to the rules and regulations and leasehold improvement provisions set out in this Lease in procuring furniture, fixtures, materials, supplies and equipment to be brought into the Leased Premises;
 - (d) Should the Tenant be permitted to undertake its own cleaning of, or within, the Leased Premises, the Tenant shall require that in any cleaning contracts granted directly by it, the cleaning contractor shall use cleaning products certified in accordance with EcoLogo (Canada), Green Seal (United States) or equivalent standards. The Landlord shall reserve the right to approve, acting reasonably, any such Tenant cleaning contracts, but without liability. The Tenant shall ensure that any cleaning contracts entered into by it require the cleaning contractor to comply with elements of the Environmental Management Plan applicable to it. Particularly, any cleaning contracts let by the Tenant in respect of specialized green facilities, such as waterless urinals, shall ensure the cleaning contractor properly understands the maintenance of such specialized green facilities.
2. Reduce Indirect and Direct Energy Consumption and Greenhouse Gas Emissions
 - (a) The Tenant agrees to the installation of electricity smart meters in respect of the Tenant's consumption of electricity within the Leased Premises, chargeable as Additional Rent under this Lease, if required by the Landlord.
 - (b) The Tenant shall take reasonable steps to minimize its electrical consumption within the Leased Premises such as, by way of example only, adopting conservation practices (e.g. reducing its use of lighting

where unnecessary), the use of Energy Star equipment, the types of lighting, lighting switches, sensors and zones as may be specified in the leasehold improvement provisions in this Lease, and using the types of equipment suggested therein and in the rules and regulations set out in this Lease.

- (c) The Landlord shall be entitled at any time or from time to time to acquire (i) all or part of the power of its Common Areas and facilities; (ii) shared electrical power from sources with low carbon output. In addition to the foregoing, where it is considered feasible to do so, the Landlord may install onsite generation capacity either to reduce peak load or to supplement base load requirements for the Building from time to time, and any incremental cost in so doing shall be included in Operating Costs.
- (d) The Tenant shall be entitled at any time or from time to time to specify in writing that it wishes to have its electrical power consumption sourced or offset from renewable energy sources, and if it shall elect to do so, the cost of same shall be at **the Tenant's sole cost** and expense, either payable directly by it to the supplier so chosen, or recoverable by the Landlord if paid by the Landlord as Additional Rent.
- (e) The Landlord shall be entitled to benchmark itself against any building rating system for electrical, natural gas, water or other resource consumption.
- (f) The Landlord shall operate building Common Areas and facilities in accordance with, and use its reasonable efforts to cause other tenants to operate in conformity with, the Environmental Objectives.

3. Reduce Water Consumption

- (a) The Tenant agrees to the installation of water meters or check meters in respect of the **Tenant's consumption of water**, chargeable as Additional Rent under this Lease, if required by the Landlord.
- (b) Where potable water usage is not a necessity, the Tenant acknowledges and consents to the use of treated recycled or treated natural water in washrooms and in other applications within and around the Building.
- (c) The Tenant consents to rainwater collection, treatment and reuse by the Landlord and wastewater collection, treatment and reuse by the Landlord from time to time. The Tenant consents to the use of water-saving appliances, such as waterless urinals, and other equipment as may be otherwise consistent with the Environmental Objectives.

4. Recycles Materials Usage

- (a) The Tenant shall be entitled to use recycled materials in its Leasehold Improvements and Alterations if so permitted either pursuant to the leasehold improvement provisions in this Lease, or as may be consented to by the Landlord, acting reasonably.
- (b) The Tenant shall be entitled to use recycled furniture, fixtures and equipment in the Leased Premises to the extent consistent with the Environmental Objectives and the rules and regulations and leasehold improvement provisions set out in this Lease.
- (c) The Tenant agrees to recycle or cause its contractor to recycle as much as possible any waste created in the demolition of existing Leasehold Improvements or Alterations within the Leased Premises so as to minimize the amount of waste ending in landfill. The Landlord

reserves the right to monitor and measure the amount of waste leaving the Building from the Leased Premises and going to landfill from time to time.

- (d) The Landlord will use commercially reasonable efforts to cooperate with the Tenant, **at the Tenant's sole** cost, in the certification of the Leased Premises pursuant to any rating scheme, such as ASHRAE standard 189.1 Leadership in Energy and Environmental Design Commercial Interiors standard (as specified by the U.S. Green Building Council until adopted by the Canada Green Building Council), or equivalent standard as the Landlord may agree to, acting reasonably. The Tenant agrees to consider locally sourced materials where possible in the completion of Leasehold Improvements and any subsequent Alterations, consistent with the terms as set out in the rules and regulations and leasehold improvement provisions set out in this Lease.

C. ENVIRONMENTAL ASSESSMENT AND REPORTING

The Landlord and Tenant, acting reasonably and in good faith, agree to cooperate from time to time in determining compliance with the Environmental Objectives and in refining such Environmental Objectives from time to time. The Landlord and the Tenant agree to meet at least annually in order to determine and discuss the achievement of the Environmental Objectives for the Building and the Leased Premises and any further steps that could be taken to achieve the Environmental Objectives.

D. COVENANTS

The Landlord and Tenant agree to:

1. use their reasonable commercial efforts to achieve the Environmental Objectives;
2. constructively consult with each other on enhancements that may achieve the Environmental Objectives and consider undertaking any such enhancements; and
3. constructively consult with each other on issues, events and circumstances likely to detract from achieving the Environmental Objectives.

SCHEDULE G

LEASEHOLD IMPROVEMENTS
(for initial fit-up of the Leased Premises only)

The Tenant shall lease the Leased Premises on an "as is" basis, save and except the Landlord agrees to: patch and paint as needed, replace any damaged or stained ceiling tiles, and replace doors to the boardroom (the "Landlord's Work"), at the Landlord's cost.

There shall be no leasehold improvement allowance provided to the Tenant from the Landlord. Should the Tenant wish to make any Leasehold Improvements in the Leased Premises, they shall be made in accordance with clause 7.19 of this Lease.

SCHEDULE H

ADDITIONAL TERMS

1. ADDITIONAL RENT ESTIMATION

The Additional Rent is estimated at \$16.96 per rentable square foot per annum for the year 2019.

THIS AGREEMENT ("Agreement") made the 22nd day of September, 2021,

BETWEEN:

KRP PROPERTIES

a division of Wesley Clover International Corporation

(the "**Landlord**")

AND:

MPX INTERNATIONAL CORPORATION

(the "**Tenant**")

FIRST AMENDMENT TO LEASE

WHEREAS pursuant to a written lease dated April 12, 2019 ("**Lease**"), the Tenant is leasing from the Landlord all those premises consisting of 1,403 certified rentable square feet of space, located on the fifth floor, **Suite 536** (the "**Leased Premises**") of the building known municipally known as 555 Legget Dr., Tower B, in the City of Ottawa (the "**Building**"), having a Term expiring on June 30, 2022 ("**Term**");

AND WHEREAS the Tenant wishes to extend the Term of the Lease and the Landlord is in agreement therewith;

NOW THEREFORE in consideration of the rents, covenants, conditions and agreements herein contained, the Landlord and Tenant covenant and agree that the Lease is amended as follows:

1. The Term of the Lease is extended for a period of one (1) year, commencing on July 1, 2022 and ending on June 30, 2023 ("**Extended Term**"), at an Annual Rent of Fifteen Dollars (\$15.00) per rentable sq. ft. of Leased Premises, per annum, plus HST.
2. The Tenant agrees to lease the Leased Premises during the Extended Term in an "as is" condition. There shall be no leasehold improvement allowance provided by the Landlord to the Tenant. Any Leasehold Improvements made by the Tenant to the Premises shall be made in accordance with clause 7.19 (Alterations) of the Lease and at the Tenant's sole cost and expense.
3. Schedule E (Option to Extend) of the Lease is deleted and replaced with the attached Schedule E.
4. Schedule G (Leasehold Improvements re initial-fit-up) and Schedule H (Additional Terms) are deleted in their entirety.
5. The parties agree that this agreement may be executed and delivered by electronic means and the reproduction of signatures electronically will be treated as though such reproduction were executed originals.

SAVE AND EXCEPT as set out herein, all other terms and conditions of the Lease shall remain unchanged, and all capitalized terms used herein shall have the same meaning as in the Lease.

IN WITNESS WHEREOF the parties hereto have executed this First Amendment to Lease as of the date first above written.

KRP PROPERTIES

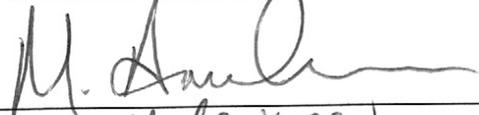
a division of Wesley Clover International Corporation

Per: _____

Martin A. Vandewouw
President, KRP Properties

I have the authority to bind the corporation.

MPX INTERNATIONAL CORPORATION

Per:  _____

Name: M. ARNKVARN

Title: COO

I have the authority to bind the corporation.

SCHEDULE "E"**OPTION TO EXTEND**

1. Provided the Tenant has not been in material default during the Extended Term of this Lease and occupies the Leased Premises actively operating its business therefrom, and has not assigned this Lease or sublet all or a portion of the Leased Premises, the Tenant shall have and is hereby granted an option to extend this Lease for a further term of five (5) years provided that in order to exercise this option, the Tenant shall be required to give to the Landlord notice of the exercise of such option in writing not less than nine (9) months prior to the date of expiry of the Extended Term.
2. Any extension pursuant to this proviso shall be on the same terms and conditions contained in this Lease except:
 - (a) there shall be no additional right of extension, no leasehold improvements, or free rent;
 - (b) the Annual Rent payable by the Tenant for such extension period shall be as agreed upon by the Landlord and Tenant, which shall be at the then current market rates for similar premises in a similar retail/office environment having access to a large business park complex of Class A type buildings in the City of Ottawa; such agreement to be reached not later than three (3) months prior to the expiry of the Extended Term. Failing such agreement, this option shall be null and void and of no further force and effect.
3. This schedule shall not create a perpetual right of extension and accordingly the Tenant shall have the right to exercise its option to extend only in respect of the extension as provided above.



**THIS IS EXHIBIT "T" REFERRED TO IN THE
AFFIDAVIT OF JEREMY BLUMER SWORN
THE 25TH DAY OF JULY, 2022**

A handwritten signature in black ink, appearing to be 'TG' with a long horizontal stroke extending to the right.

THOMAS GRAY
A Commissioner for taking affidavits, etc.

15TH 

LEASE
(COMMERCIAL)

Made the 6th day of November, 2013

BETWEEN

SATARA FINANCIAL CORPORATION

(The "Landlord")

-and-

8423695 CANADA INC,
doing business as HANSEN AGBIO

(The "Tenant")

In Consideration of the rent, covenants and obligations stipulated herein the Landlord and the Tenant have agreed to enter into a Lease of the premises known municipally as

760 TECHNOLOGY DRIVE, PETERBOROUGH ON

and more particularly described in Schedule A attached (the "Premises")

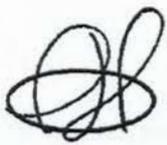
1. GRANT OF LEASE

- (1) The Landlord leases the Premises to the Tenant:
 - (a) at the Rent set forth in Section 2;
 - (b) for the term set forth in Section 3; and
 - (c) subject to the conditions and in accordance with the covenants, obligations and agreements herein.
- (2) The Landlord covenants that it has the right to grant the leasehold interest in the Premises free from encumbrances except as disclosed on title.

2. RENT

- (1) Rent means the amounts payable by the Tenant to the Landlord pursuant to this Section and includes Additional Rent.
- (2) The Tenant covenants to pay to the Landlord, during the Term of this Lease rent as follows:
 - (a) During the first THREE years of the Term, the sum of \$69,608.00 per annum (INCLUDES HST), payable monthly in advance in equal instalments of \$5,800.67 on the 1st day of each and every month, commencing on the first day of the Term;
- (3) The Tenant further covenants to pay all other sums required by this Lease to be paid by it and agrees that all amounts payable by the Tenant to the Landlord or

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to any other party pursuant to the provisions of this Lease shall be deemed to be additional rent ("Additional Rent") whether or not specifically designated as such in this Lease. Additional rent is estimated at \$2,330.81 (includes HST) per month for 2013 and will be adjusted annually to actual.

- (4) The Landlord and the Tenant agree that it is their mutual intention that this Lease shall be a completely carefree net lease for the Landlord and that the Landlord shall not, during the Term of this Lease be required to make any payments in respect of the Premises other than charges of a kind personal to the Landlord (such as income and estate taxes and mortgage payments):
- (a) and to effect the said intention of the parties the Tenant promises to pay the following expenses related to the Premises as Additional Rent (without duplication):
- (i) utilities (including but not limited to gas, electricity, water, heat, air-conditioning); Assumed by and metered directly to Tenant, plus Additional Rent outlined above in section three.
 - (ii) services supplied to the Premises, provided that this does not in any way oblige the Landlord to provide any services, unless otherwise agreed in this Lease;
 - (iii) maintenance;
 - (iv) insurance premiums;
 - (v) any tax or duty imposed upon, or collectable by the Landlord which is measured by or based in whole or in part directly upon the Rent including, without limitation, the goods and services tax, value added tax, business transfer tax, retail sales tax, federal sales tax, excise tax or duty or any tax similar to any of the foregoing;
 - (vi) the Landlord's reasonable administration and supervisory fee (not to exceed 10% of the Additional Rent expenses, net of realty taxes and insurance); and
 - (vii) real property taxes, rates, duties and assessments including such portion of real property taxes formerly known as business taxes. The Landlord shall have the right to determine the assessment value of the Premises acting reasonably, bearing in mind, current principles of assessment, previous assessments and the proportionate share that the rentable area of the Premises is to the total rentable area of all premises in the building of which the Premises forms a part (if applicable). The assessment value of the premises as determined aforesaid shall be multiplied by the current tax rate of the Premises to determine the real property taxes payable as Additional Rent;
- (b) and if any of the foregoing charges are invoiced directly to the Tenant, the Tenant shall pay same as and when they become due and shall produce proof of payment to the Landlord immediately if requested to do so;

- (i) but the Tenant may contest or appeal any such charges at the Tenant's own expense;
 - (c) and the Tenant hereby agrees to indemnify and protect the Landlord from any liability accruing to the Landlord in respect of the expenses payable by the Tenant as provided for herein;
 - (d) and if the Tenant fails to make any of the payments required by this Lease then the Landlord may make such payments and charge to the Tenant as Additional Rent and amounts paid by the Landlord;
 - (i) and if such charges are not paid by the Tenant on demand the Landlord shall be entitled to the same remedies and may take the same steps for recovery of the unpaid charges as in the event of Rent in arrears.
 - (e) and if the Tenant enjoys the use of any common areas and facilities not included in the Premises, the Tenant shall pay its proportionate share of the foregoing expenses relating to such common areas and facilities.
- (5) Prior to the commencement of each lease year, the Landlord shall notify the Tenant of its reasonable and bona fide estimate of Additional Rent for that year. The Tenant shall pay such estimated amount in equal monthly instalments in advance on the same dates stipulated for payment of Rent in Section 2 (2).

From time to time during a lease year the Landlord may, acting reasonably, re-estimate the amount of the Additional Rent and shall fix monthly instalments for the then remaining balance of the lease year so that the Landlord's estimate, original or revised, of Additional Rent will have been entirely paid during that lease year.

The Landlord shall make the final determination of Additional Rent for the relevant lease year within 120 days of the Landlord's financial year end, which shall be binding upon both parties and shall provide the Tenant with a statement of the Additional Rent for the relevant lease year. The Landlord and the Tenant shall expeditiously make any necessary readjusting payment; provided that the Tenant may not claim a readjustment based upon any error of estimation, determination or calculation unless claimed in writing within six months after the Tenant's receipt of the Landlord's annual statement of Additional Rent for the relevant lease year.

- (6) All payments to be made by the Tenant pursuant to this Lease shall be delivered to the Landlord at the Landlord's address for service set out in Section 15 or to such other place as the Landlord may from time to time direct in writing.
- (7) The Tenant agrees to pay in advance to the Landlord at the commencement of the Term the first and last months' Rent payable under Section 2 (2) of this Lease.
- (8) All Rent in arrears and all sums paid by the Landlord for expenses incurred which should have been paid by the Tenant shall bear interest from the date payment was due, or made, or expense incurred at a rate per annum equal to the prime commercial lending rate of the Landlord's bank plus five (5) per cent.

- (9) The Tenant acknowledges and agrees that the payments of Rent and Additional Rent provided for in this Lease shall be made without any deduction for any reason whatsoever unless expressly allowed by the terms of this Lease or agreed to by the Landlord in writing; and
- (a) no partial payment by the Tenant which is accepted by the Landlord shall be considered as other than a partial payment on account of Rent owing and shall not prejudice the Landlord's right to recover any Rent owing.

3. TERM AND POSSESSION

The Tenant shall have possession of the Premises for a period of THREE years, with the Lease Term commencing on the later of the date of execution of this Lease by both parties and November 1, 2013, and ending one (1) day prior to the third (3rd) anniversary of the commencement date (the "Term").

Subject to the Landlord's rights under this Lease, and as long as the Lease is in good standing the Landlord covenants that the Tenant shall have quiet enjoyment of the Premises during the Term of this Lease without any interruption or disturbance from the Landlord or any other person or persons lawfully claiming through the Landlord.

3A. OPTION TO EXTEND

Provided the Tenant is not in default under any of the terms of the Lease beyond any cure periods provided for in the Lease, the Tenant shall have the right to extend the Lease for an additional term of Three (3) years (the "Extension Term"); commencing from the expiry of the current Lease and subject to the same terms and conditions as contained herein excepting this right to extend, and that the Basic Rent for the Premises during the Extension Term shall be the fair market rent at the date the Extension Term commences for comparable Premises in the area which do not possess the leasehold improvements, if any, which have been effected to the Premises at the expense of the Tenant. If, one month prior to the end of the current Term the parties have not agreed on the Basic Rent payable during the Extension Term, then the Basic Rent shall be determined by arbitration under the provisions of the applicable provincial statute, and the award of the arbitrators shall be final and binding on the parties.

This option shall be exercised by the Tenant giving the Landlord written notice of exercise not later than SIX (6) months prior to the Lease expiry date.

4. ASSIGNMENT

- (a) The Tenant shall have the right to assign or sublet part or all of the Premises for any portion or all of the Term of the Lease. Such assignment or sublease shall be subject to prior approval by the Landlord in writing and such approval shall not be unreasonably withheld, delayed or conditioned provided that the Tenant remains fully responsible for its obligations under the Lease. Tenant shall not be restricted in any way as to its marketing of the Premises for sublease, save and except that any "For Sublease" signs shall be subject to the Landlord's prior written approval, such approval not to be unreasonably withheld or delayed; and further Tenant shall not be restricted as to the terms and conditions of such sublease, provided that Tenant shall remain fully responsible for all obligations under the Lease;

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- (b) and the Tenant hereby waives its right to the benefit of any present or future Act of the Legislature of Ontario which would allow the Tenant to assign this Lease or sublet the Premises without the Landlord's consent.
- (2) The consent of the Landlord to any assignment or subletting shall not operate as a waiver of the necessity for consent to any subsequent assignment or subletting.
- (3) Any consent granted by the Landlord shall be conditional upon the assignee, sub-lessee or occupant executing a written agreement directly with the Landlord agreeing to be bound by all the terms of this Lease as if the assignee, sub-lessee or occupant had originally executed this Lease as Tenant.
- (4) Any consent given by the Landlord to any assignment or other disposition of the Tenant's interest in this Lease or in the Premises shall not relieve the Tenant from its obligations under this Lease, including the obligation to pay Rent and Additional Rent as provided for herein.

5. USE

Tenant shall use the Premises for the lawful cultivation, processing, storage and distribution of pharmaceutical products (including, without limitation, medical marijuana), together with related business uses including office functions, or for any other lawful use subject to the Landlord's prior written approval which shall not be unreasonably withheld or delayed.

The Tenant shall not do or permit to be done at the Premises anything which may:

- (a) constitute a nuisance;
- (b) cause damage to the Premises;
- (c) cause injury or annoyance to occupants of neighbouring premises;
- (d) make void or voidable any insurance upon the Premises;
- (e) constitute a breach of any by-law, statute, order or regulation of any municipal, provincial or other competent authority relating to the Premises.

5A. SIGNAGE

The Tenant shall have the right to erect building signage on the exterior of the Premises and any podium (if applicable) that may be erected on the property. The signage installation shall be in accordance with all municipal by-laws and codes and subject to approval by the Landlord, not to be unreasonably withheld. The Tenant shall be responsible for the cost of purchasing and installing the sign and for removal and repair to the Property necessitated by said installation or removal at the end of the Term. The Tenant shall pay no rental cost throughout the Term for said signage.

6. REPAIR AND MAINTENANCE

- (1) The Tenant covenants that during the term of this Lease and any renewal thereof the Tenant shall keep in good condition the Premises including all alterations and additions made thereto, and shall, with or without notice, promptly make all

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needed repairs and all necessary replacements as would a prudent owner; however, the Tenant shall not be liable to effect repairs attributable to reasonable wear and tear, or to damage caused by fire, lightning or storm (other than fire caused by the Tenant's misuse of the Premises or negligent acts or omissions of the Tenant). Notwithstanding anything in this Lease to the contrary, Landlord shall maintain in good order and condition (and repair and/or replace, as necessary) the structural elements of the Premises, including, without limitation, the foundations, floors (but not floor coverings), weight bearing columns and walls, and roof structure. Landlord, at its sole expense, shall bear the cost of such maintenance, repair and/or replacement except to the extent such repairs or replacements are required because of the misuse or negligent acts or omissions of the Tenant.

- (2) The Tenant shall permit the Landlord or a person authorized by the Landlord to enter the Premises to examine the condition thereof and view the state of repair at reasonable times:
- (a) and if upon such examination repairs are found to be necessary, written notice of the repairs required shall be given to the Tenant by or on behalf of the Landlord and the Tenant shall make the necessary repairs within the time specified in the notice;
 - (b) and if the Tenant refuses or neglects to keep the Premises in good repair the Landlord may, but shall not be obliged to, make any necessary repairs, and shall be permitted to enter the Premises, by itself or its servants or agents, for the purpose of effecting the repairs without being liable to the Tenant for any loss, damage or inconvenience to the Tenant in connection with the Landlord's entry and repairs;
 - (i) and if the Landlord makes repairs the Tenant shall pay the cost of them immediately as Additional Rent.
- (3) Upon the expiry of the Term or other determination of this Lease the Tenant agrees peaceably to surrender the Premises, including any alterations or additions made thereto, to the Landlord in a state of good repair, reasonable wear and tear and damage by fire, lightning and storm only excepted.
- (4) The Tenant shall immediately give written notice to the Landlord of any substantial damage that occurs to the Premises from any cause.

7. ALTERATIONS AND ADDITIONS

The Tenant shall have the right to make non-structural alterations and installations at its own expense from time to time during the Lease Term, or any extension thereof, provided that such alterations and installations are performed in accordance with plans and specifications prepared by Tenant and submitted to Landlord in advance, and provided that Landlord has given consent in writing, which is not to be unreasonably withheld or delayed. All such alterations and installations shall be performed in accordance with all applicable building codes and regulations, by qualified, licensed contractors. At the Landlord's option, Tenant shall restore the Premises to their original condition, normal wear and tear excepted, by removing such alterations or installations at the expiration of the Lease Term or extension thereof. The Tenant shall be responsible for the discharge of any liens or encumbrances registered against the Premises as a result of any alterations or installations of the Tenant. The Tenant shall not bring onto the Premises any machinery or equipment that by reason of its weight, size or use may damage the Premises or overload the floors of the Premises.

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8. INSURANCE

- (1) During the Term of this Lease and any renewal thereof the Landlord shall maintain with respect to the Premises, insurance coverage insuring against:
 - (a) loss or damage by fire, lightning, storm and other perils that may cause damage to the Premises or the property of the Landlord in which the Premises are located as are commonly provided for as extended perils coverage or as may be reasonably required and obtained by the Landlord;
 - (i) and the insurance policy shall provide coverage on a replacement cost basis in an amount sufficient to cover the cost of all signs and leasehold improvements;
 - (b) liability for bodily injury or death or property damage sustained by third parties up to such limits as the Landlord in its sole discretion deems advisable;
 - (c) rental income protection insurance with respect to fire and other perils to the extent of one year's Rent payable under this Lease;
 - (i) but such insurance and any payment of the proceeds thereof to the Landlord shall not relieve the Tenant of its obligations to continue to pay rent during any period of rebuilding, replacement, repairing or restoration of the Premises except as provided in Section 9.

- (2) The Tenant covenants to keep the Landlord indemnified against all claims and demands whatsoever by any person, whether in respect of damage to person or property, arising out of or occasioned by the maintenance, use or occupancy of the Premises or the sub-letting or assignment of same or any part thereof. And the Tenant further covenants to indemnify the Landlord with respect to any encumbrance on or damage to the Premises occasioned by or arising from the act, default, or negligence of the Tenant, its officers, agents, servants, employees, contractors, customers, invitees or licensees.
 - (a) and the Tenant agrees that the foregoing indemnity shall survive the termination of this Lease notwithstanding any provisions of this Lease to the contrary.

- (3) The Tenant shall carry insurance in its own name to provide coverage with respect to the risk of business interruption to an extent sufficient to allow the Tenant to meet its ongoing obligations to the Landlord and to protect the Tenant against loss of revenues.

- (4) The Tenant shall carry insurance in its own name insuring against risk of damage to the Tenant's property within the Premises caused by fire or other perils and the policy shall provide for coverage on a replacement cost basis to protect the Tenant's stock-in-trade, equipment, Trade Fixtures, decorations and improvements.

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- (5) The Tenant shall carry public liability and property damage insurance of a minimum of \$3,000,000, in which policy the Landlord shall be named insured and the policy shall include a cross-liability endorsement;

- (a) and the Tenant shall provide the Landlord with a copy of the policy.

9. DAMAGE TO THE PREMISES

- (1) If the Premises or the building in which the Premises are located, are damaged or destroyed, in whole or in part, by fire or other peril, then the following provisions shall apply:

- (a) if the damage or destruction renders the Premises unfit for occupancy and impossible to repair or rebuild using reasonable diligence with 120 clear days from the happening of such damage or destruction, then the Term hereby granted shall cease from the date the damage or destruction occurred, and the Tenant shall immediately surrender the remainder of the Term and give possession of the Premises to the Landlord, and the Rent from the time of the surrender shall abate;

- (b) if the Premises can with reasonable diligence be repaired and rendered fit for occupancy within 120 days from the happening of damage or destruction, but the damage renders the Premises wholly unfit for occupancy, then the rent hereby reserved shall not accrue after the day that such damage occurred, or while the process of repair is going on, and the Landlord shall repair the Premises with all reasonable speed, and the Tenant's obligation to pay Rent shall resume immediately after the necessary repairs have been completed;

- (c) if the Leased Premises can be repaired within 120 days as aforesaid, but the damage is such that the Leased Premises are capable of being partially used, then until such damage has been repaired, the Tenant shall continue in possession and the Rent shall abate proportionately.

- (2) Any question as to the degree of damage or destruction or the period of time required to repair or rebuild shall be determined by an architect retained by the Landlord.

- (3) Apart from the provisions of Section 9 (1) there shall be no abatement from or reduction of the Rent payable by the Tenant, nor shall the Tenant be entitled to claim against the Landlord for any damages, general or special, caused by fire, water, sprinkler systems, partial or temporary failure or stoppage of services or utilities which the Landlord is obliged to provide according to this Lease, from any cause whatsoever, unless the failure or stoppage of services or utilities is caused by the Landlord's wilful act, omission or negligence, or caused by the wilful act, omission or negligence of those for whom the Landlord is in law responsible.

10. ACTS OF DEFAULT AND LANDLORD'S REMEDIES

- (1) An Act of Default has occurred when:

- (a) the Tenant has failed to pay Rent for a period of fifteen (15) consecutive days, regardless of whether demand for payment has been made or not;

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- (b) the Tenant has breached its covenants or failed to perform any of its obligations under this Lease (other than its covenant to pay Rent); and
- (i) At least fifteen (15) consecutive days have elapsed since the Landlord has given notice specifying the nature of the default and the steps required to correct it; and
 - (ii) the Tenant has failed to correct the default as required by the notice, unless the Tenant has commenced to cure such default within such period and is proceeding with due diligence to cure such default ;
- (c) the Tenant has;
- (i) become bankrupt or insolvent or made an assignment for the benefit of Creditors;
 - (ii) had its property seized or attached in satisfaction of a judgement;
 - (iii) had a receiver appointed;
 - (iv) committed any act or neglected to do anything with the result that a Construction Lien or other encumbrance is registered against the Landlord's property;
 - (v) without the consent of the Landlord, made or entered into an agreement to make a sale of its assets to which the Bulk Sales Act applies;
 - (vi) taken action if the Tenant is a corporation, with a view to winding up, dissolution or liquidation;
- (d) any insurance policy is cancelled or not renewed by reason of the use or occupation of the Premises, or by reason of non-payment of premiums;
- (e) the Premises;
- (i) become vacant or remain unoccupied for a period of thirty (30) consecutive days; or
 - (ii) are used by any other person or persons, or for any other purpose than as provided for in this Lease without the written consent of the Landlord.
- (2) When an Act of Default on the part of the Tenant has occurred:
- (a) the current month's rent together with the next three months' rent shall become due and payable immediately; and
 - (b) the Landlord shall have the right to terminate this Lease and to re-enter the Premises and deal with them as it may choose.
- (3) If, because an Act of Default has occurred, the Landlord exercises its right to terminate this Lease and re-enter the Premises prior to the end of the Term, the

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Tenant shall nevertheless be liable for payment of Rent and all other amounts payable by the Tenant in accordance with the provisions of this Lease until the Landlord has re-let the Premises or otherwise dealt with the Premises in such manner that the cessation of payments by the Tenant will not result in loss to the Landlord.

- (a) and the Tenant agrees to be liable to the Landlord, until the end of the Term of this Lease for payment of any difference between the amount of Rent hereby agreed to be paid for the Term hereby granted and the Rent any new Tenant pays to the Landlord.
- (4) The Tenant covenants that notwithstanding any present or future Act of the Legislature of the Province of Ontario, the personal property of the Tenant during the term of this Lease shall not be exempt from levy by distress for Rent in arrears:
- (a) and the Tenant acknowledges that it is upon the express understanding that there should be no such exemption that this Lease is entered into, and by executing this Lease:
 - (i) the Tenant waives the benefit of any such legislative provisions which might otherwise be available to the Tenant in the absence of this Agreement; and
 - (ii) the Tenant agrees that the Landlord may plead this covenant as an estoppel against the Tenant if any action is brought to test the Landlord's right to levy distress against the Tenants property.
- (5) If, when an Act of Default has occurred, the Landlord chooses not to terminate the Lease and re-enter the Premises, the Landlord shall have the right to take any and all necessary steps to rectify any or all Acts of Default of the Tenant and to charge the costs of such rectification to the Tenant and to recover the costs as Rent.
- (6) If, when an Act of Default has occurred, the Landlord chooses to waive its right to exercise the remedies available to it under this Lease or at law the waiver shall not constitute condonation of the Act of Default, nor shall the waiver be pleaded as an estoppel against the Landlord to prevent its exercising its remedies with respect to a subsequent Act of Default:
- (a) no covenant, term, or condition of this Lease shall be deemed to have been waived by the Landlord unless the waiver is in writing and signed by the Landlord.

11. TERMINATION AT END OF TERM

- (1) The Tenant agrees to permit the Landlord, on at least twenty-four (24) hours notice by the Landlord to the Tenant, during the last three months of the Term of this Lease to display "For Rent" or "For Sale" signs or both at the Premises and to show the Premises to prospective new tenants or purchasers and to permit anyone having written authority of the Landlord to view the Premises at reasonable hours.
- (2) If the Tenant remains in possession of the Premises after termination of this Lease as aforesaid and if the Landlord then accepts rent for the Premises from

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the Tenant, it is agreed that such overholding by the Tenant and acceptance of Rent by the Landlord shall create a monthly tenancy only but the tenancy shall remain subject to all the terms and conditions of this Lease except those regarding the Term.

12. ACKNOWLEDGMENT BY TENANT

The Tenant agrees that it will at any time or times during the Term, upon being given at least forty-eight (48) hours prior written notice, execute and deliver to the Landlord a statement in writing certifying:

- (a) that this Lease is unmodified and is in full force and effect (or if modified stating the modifications and confirming that the Lease is in full force and effect as modified);
- (b) the amount of Rent being paid;
- (c) the dates to which Rent has been paid;
- (d) other charges payable under this Lease which have been paid;
- (e) particulars of any prepayment of Rent or security deposits; and
- (f) particulars of any subtenancies.

13. SUBORDINATION AND POSTPONEMENT

- (1) This Lease and all the rights of the Tenant under this Lease are subject and subordinate to any and all charges against the land, buildings or improvements of which the Premises form part, whether the charge is in the nature of a mortgage, trust deed, lien or any other form of charge arising from the financing or re-financing, including extensions or renewals, of the Landlord's interest in the property.
- (2) Upon the request of the Landlord the Tenant will execute any form required to subordinate this Lease and the Tenant's rights to any such charge, and will, if required, attorn to the holder of the charge.
- (3) No subordination by the Tenant shall have the effect of permitting the holder of any charge to disturb the occupation and possession of the Premises by the Tenant as long as the Tenant performs its obligations under this Lease.
- (4) Prior to this Lease being postponed or subordinated to any future mortgage or other encumbrance, the Landlord shall deliver to the Tenant a Non-Disturbance Agreement from such mortgagee or encumbrancer (the "Mortgagee") whereby such Mortgagee agrees that so long as the Tenant performs its obligations and is not in default under the Lease, the Tenant shall be entitled to quiet possession of the Premises.

14. RULES AND REGULATIONS

The Tenant agrees on behalf of itself and all persons entering the Premises with the Tenants authority or permission to abide by such reasonable Rules and Regulations that form part of this Lease and the Landlord may make from time to time.

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15. NOTICE

- (1) Any notice required or permitted to be given by one party to the other pursuant to the terms of this Lease may be given

To the Landlord at:

63 MAPLECRETE ROAD CONCORD, ONTARIO L4K1A5
TEL:905.669.889 FAX:905.669.7512

To the Tenant at the Premises or at:

HANSEN AGBIO LTD.
162 CUMBERLAND STREET, SUITE 310
TORONTO, ON MSR 3N5

- (2) The above addresses may be changed at any time by giving ten (10) days written notice.
- (3) Any notice given by one party to the other in accordance with the provisions of this Lease shall be deemed conclusively to have been received on the date delivered if the notice is served personally or seventy-two (72) hours after mailing if the notice is mailed.

16. REGISTRATION

The Tenant shall not at any time register notice of or a copy of this Lease on title to the Property of which the premises form part without written consent of the Landlord.

17. INTERPRETATION

- (1) The words importing the singular number only shall include the plural, and vice versa, and words importing the masculine gender shall include the feminine gender, and words importing persons shall include firms and corporations and vice versa.
- (2) Unless the context otherwise requires, the word "Landlord" and the word "Tenant" wherever used herein shall be construed to include the executors, administrators, successors and assigns of the Landlord and Tenant, respectively.
- (3) When there are two or more Tenants bound by the same covenants herein contained, their obligations shall be joint and several

18. HEALTH CANADA

The Tenant shall provide to the Landlord a copy of a valid licence issued by Health Canada permitting the Tenant to operate as an approved and licensed grower of medicinal marijuana (the "Tenant's Health Canada Licence") pursuant to the provisions of the Marijuana for Medical Purposes Regulations. The Tenant shall also provide the Landlord with copies of any and all extensions, renewals and other amendments relating to the Tenant's Health Canada Licence upon the Tenant's receipt of same, and upon any Landlord request, throughout the Term and any renewal or extension thereof. Notwithstanding anything to the contrary in this Lease, the Tenant may not commence operating as a grower of medicinal marijuana on the Premises until such time as the Landlord has received and approved, in writing, a copy of the Tenant's Health Canada Licence. In the event that the Tenant's Health Canada Licence is at any time revoked or if there

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is a legislative amendment or ruling which prohibits the Tenant from continuing to operate as a grower of medicinal marijuana on the Premises, then the Tenant shall forthwith promptly advise the Landlord of such revocation and shall revise its operations on the Premises as necessary to comply with the terms of this Lease.

19. LANDLORD'S CONSENT

Whenever in this Lease the Tenant is required to obtain Landlord's consent or approval, such consent or approval shall not be unreasonably withheld or unduly delayed, and if Landlord is required to exercise its discretion, same shall be exercised on a commercially reasonable basis.

20. LANDLORD'S WARRANTY

The Landlord warrants that, at the Lease commencement date, the Premises are free of any material structural defect, and the roof, plumbing, heating, air conditioning, electrical, drainage, sprinklers, lighting, and, in general, all systems contained therein are in good condition and fully operational, and the Premises are in a clean, broom-swept condition.

21. ENVIRONMENTAL INDEMNIFICATION

The Landlord shall be responsible for, and shall indemnify and hold the Tenant harmless from, any adverse environmental conditions on the Premises or the Property originating prior to the Lease Commencement Date, or otherwise caused by the Landlord's non-compliance, or the non-compliance of other tenants of the Premises, with applicable environmental legislation.

From the commencement date of the Lease Term, the Tenant shall be responsible and liable for, and shall indemnify and hold the Landlord harmless from, any damage whatsoever caused by the Tenant in or to the Premises or the Building resulting from Tenant's non-compliance with applicable environmental legislation.

22. DEPOSIT

Landlord and Tenant acknowledge that DNS Real Estate Limited ("DNS") is holding in trust a deposit ("Deposit") made by the Tenant in the amount of Thirty-Two Thousand, Five Hundred and Twenty-Five and 92/100 Dollars (\$32,525.92), and by execution of this Lease Landlord and Tenant do irrevocably direct DNS to release said Deposit to the Landlord, less brokerage fees payable by Landlord to DNS arising from this lease transaction. The Deposit shall be applied as follows: \$16,262.96 to be applied against the first and last months' Rent and Additional Rent and HST thereon; the remaining \$16,262.96 (the "Security Deposit") shall be held by the Landlord as additional security for the performance of Tenant's obligations under the Lease, including but not limited to Tenant's obligations for maintenance of the Premises. **The Security Deposit is to be credited against Basic Rent and Additional Rent and HST thereon for the 13th and 14th month of the Lease Term, unless Tenant's operations are shown to be causing damage to the Premises.**

23. TENANT'S WORK

The Tenant shall perform the following work at its cost:

- (i) Install interior and exterior security and surveillance systems; and
- (ii) Refinish office interior.

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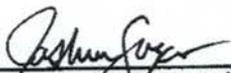
INITIALS OF TENANT(S)

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In witness of the foregoing covenants the Landlord and the Tenant have executed this Lease.

DATED this 15TH day of November, 2013.

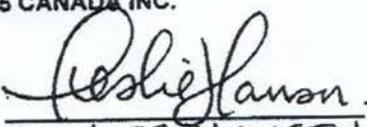
SATARA FINANCIAL CORPORATION

Per: 
Name: JOCHAN SUBAR
Title: ESGC VP

I have authority to bind the Corporation

DATED this 15TH day of November, 2013.

8423695 CANADA INC.

Per: 
Name: LES HANSEN
Title: CEO

I have authority to bind the Corporation

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SCHEDULE OF RULES AND REGULATIONS FORMING PART OF THIS LEASE

The Tenant shall observe the following Rules and Regulations (as amended, modified or supplemented from time to time by the Landlord as provided in this Lease):

1. The sidewalks, entrances, elevators, stairways and corridors of the building shall not be obstructed or used by the Tenant, its agents, servants, contractors, invitees or employees for any purpose other than access to and from the Premises.
2. The floors, sky-lights and windows that reflect or admit light into passageways or into any place in the building shall not be covered or obstructed by the Tenant, and no awnings shall be put over any window.
3. The toilets, sinks, drains, washrooms and other water apparatus shall not be used for any purpose other than those for which they were constructed, and no sweepings, rubbish, rags, ashes or other substances, such as chemicals, solvents, noxious liquids or pollutants shall be thrown therein, and any damage resulting to them from misuse shall be borne by the Tenant by whom or by whose employees, agents, servants, contractors or invitees the damage was caused.
4. In the event that the Landlord provides and installs a Public Directory Board inside the building, the Tenant's name shall be placed on the said Board at the expense of the Tenant.
5. The Tenant shall not perform any acts or carry on any activity which may damage the Premises or the common areas or be a nuisance to any other Tenant.
6. No animals or birds shall be brought into the building or kept on the Premises.
7. The Tenant shall not mark, drill into, bore or cut or in any way damage or deface the walls, ceilings or floors of the Premises. No wires, pipes or conduits shall be installed in the Premises without prior written approval of the Landlord. No broadloom or carpeting shall be affixed to the Premises by means of a non-soluble adhesive or similar products.
8. No one shall use the Premises for sleeping apartments or residential purposes, for the storage of personal effects or articles other than those required for business purposes, or for any illegal purpose.
9. The Tenant shall not use or permit the use of any objectionable advertising medium such as, without limitation, loudspeakers, public address systems, sound amplifiers, radio, broadcast or television apparatus within the building which is in any manner audible or visible outside of the Premises.
10. The Tenant must observe strict care not to allow windows to remain open so as to admit rain or snow, or so as to interfere with the heating of the building. The Tenant neglecting this rule will be responsible for any damage caused to the property of other Tenants, or to the property of the Landlord, by such carelessness. The Tenant, when closing the Premises, shall close all windows and lock all doors.
11. The Tenant shall not without the express written consent of the Landlord, place any additional locks upon any doors of the Premises and shall not permit any duplicate keys to be made therefor; but shall use only additional keys obtained from the Landlord, at the expense of the Tenant, and shall surrender to the Landlord on the termination of the Lease all keys of the Premises.
12. No inflammable oils or other inflammable, toxic, dangerous or explosive materials shall be kept or permitted to be kept in or on the Premises.

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13. No bicycles or other vehicles shall be brought within the Premises or upon the Landlord's property, including any lane or courtyard, unless otherwise agreed in writing.

14. Nothing shall be placed on the outside of windows or projections of the Premises. No air-conditioning equipment shall be placed at the windows of the Premises without the consent in writing of the Landlord.

15. Intentionally Deleted.

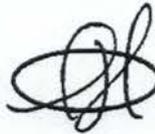
16. Intentionally Deleted.

17. Canvassing, soliciting and peddling in the building is prohibited.

18. The Tenant shall first obtain in writing the consent of the Landlord to any alteration or modification to the electrical system in the Premises and all such alterations and modifications shall be completed at the Tenant's expense by an electrical contractor acceptable to the Landlord.

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SCHEDULE "A"

Legal Description of the Premises

760 Technology Drive, Peterborough ON

**Part Lot 25, Concession 12, Otonabee;
being Parts 1 and 2 on Plan 45R-3761;
Peterborough, Ontario**

LRO 45 – PIN 28141-0035

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INITIALS OF LANDLORD(S)



Lease Extension Agreement

THIS AGREEMENT is entered into as of the 20th day of October, 2016.

Between: **8423695 CANADA INC,**
doing business as CANVEDA INC.
(hereinafter referred to as the "Tenant")

and

SATARA FINANCIAL CORPORATION
(hereinafter referred to as the "Landlord")

WHEREAS by a lease dated November 6, 2013 (the "Lease") having a term expiring November 14, 2016 the Landlord did lease to the Tenant premises located at 760 Technology Drive in the City of Peterborough, in the Province of Ontario, legally described as Part Lot 25, Concession 12, Otonabee; being Parts 1 and 2 on Plan 45R-3761, herein called the "Premises";

NOW THEREFORE, in consideration of the mutual covenants and agreements between the parties hereto and the sum of TEN DOLLARS (\$10) paid by each of the parties to each other, the receipt and sufficiency of which is hereby acknowledged, the parties covenant and agree to extend the Lease on the terms and conditions set out in this agreement.

1. EXTENSION TERM

The term of the Lease shall be extended for a period of Three (3) years (the "Extension Term") commencing on November 15, 2016 (the "Commencement Date") and expiring on November 14, 2019 (the "Expiry Date").

2. BASIC RENT

Basic Rent for the Premises during the Extension Term, shall be payable by the Tenant to the Landlord in accordance with the following schedule, payable in equal consecutive monthly installments, in advance on the fifteenth day of each month, plus applicable H.S.T.

Term	Basic Rent	
	\$ per Annum	\$ per Month
Nov 15, 2016 through Nov 14, 2017	\$61,600.00	\$5,133.33
Nov 15, 2017 through Nov 14, 2018	\$63,280.00	\$5,273.33
Nov 15, 2018 through Nov 14, 2019	\$64,960.00	\$5,413.33

The Landlord and the Tenant agree that all rent payments to date are current and that the Tenant is not in default under the terms of the Lease.

3. DEPOSIT

Landlord and Tenant acknowledge that the Landlord is currently holding a security deposit in the amount of \$8,131.48. On or before the Commencement Date, Tenant shall deliver payment to the Landlord in the amount of \$316.40, to bring the total deposit held by landlord to \$8,447.88, to be held by the Landlord as security for the performance of Tenant's obligations under the Lease, and applied against the last month's Rent and Additional Rent and HST thereon. In the event that the Option to Purchase defined in Section 4 herein is exercised, the security deposit will be credited to Tenant on closing.

4. OPTION TO PURCHASE

Tenant shall have the irrevocable option to purchase the Premises from Landlord for a purchase price of **Eight Hundred Thousand Dollars (\$800,000)** plus applicable taxes and subject to the usual adjustments as of the closing date of November 15, 2017. Tenant may exercise this option to purchase by giving written notice to Landlord not later than August 15, 2017. If Tenant exercises this option, then Landlord and Tenant shall enter into a formal Agreement of Purchase and Sale (APS) for the Premises. Said APS shall be prepared by the Tenant and subject to review and amendments by Landlord's and Tenant's respective legal counsel, both parties acting reasonably. The Property shall be conveyed "as is", and there shall be no conditional period save for usual matters of title, it being intended that Tenant shall have opportunity to conduct any other due diligence in advance of exercising the option, and Landlord agrees to cooperate with Tenant and its agents and representatives in this regard.

5. AGENCY

The Landlord and Tenant acknowledge and agree that:

- a) Cushman & Wakefield Ltd. (hereinafter referred to as the "Brokerage") is representing the Tenant in the transaction described in this agreement;
- b) The Landlord shall pay commission in the amount of two and one-half percent (2.5%) of Basic Rent calculated over the Extension Term, plus applicable HST, said commission to be due and payable to the Brokerage on the Commencement Date;
- c) in the event that the Option to Purchase described herein is exercised by Tenant and said purchase transaction closes, then the Brokerage shall be paid a sale commission of Two and one-half percent (2.5%) of the sale price, less the amount of leasing commission received on account of any remaining Extension Term as of the closing date, plus applicable HST, said commission to be paid from the sale proceeds on closing and included in the purchase price (i.e. from the account of the Landlord-vendor).
- d) Tenant and Landlord each warrant that it has not dealt with any real estate brokerage other than the Brokerage in connection with this agreement.

6. CONFIRMATION OF LEASE

The Landlord and the Tenant acknowledge and agree that the Lease remains in full force and effect and that, other than as explicitly amended hereby, all other terms and conditions of the Lease shall remain unchanged and shall govern the relationship between the Landlord and Tenant during the term of this agreement.

In witness whereof, this agreement has been signed by the respective authorized officers of the parties.

DATED at Toronto ON, this 24 day of OCTOBER, 2016

TENANT

8423695 CANADA INC,
doing business as CANVEDA INC.

PER: 
Name: LES HANSEN
Title: CEO

WE HEREBY ACCEPT this Offer to Lease and agree to be bound by the terms and conditions contained herein.

DATED at Concord, Ontario, this 24 day of October, 2016

LANDLORD

SATARA FINANCIAL CORPORATION

PER: 
Name:
Title:

2019 EXTENSION AGREEMENT

THIS AGREEMENT made the 25th day of January, 2019.

B E T W E E N:

8423695 CANADA INC. dba Canveda Inc.

(the "Tenant")

- and -

SATARA FINANCIAL CORPORATION

(the "Landlord")

WHEREAS

- (i) By a lease dated November 6, 2013 (the "Lease"), the Landlord, as landlord, did lease the lands and buildings and improvements thereon, municipally known as 760 Technology Drive, City of Peterborough, Province of Ontario (the "Property") to the Tenant, as tenant;
- (ii) By a lease extension agreement dated October 20, 2016, the Lease was amended to extend the term, and to include an option for the Purchaser to purchase the Property by exercising the option by August 15, 2017 for a sale to be completed by November 15, 2017 (the "Option");
- (iii) By written notice dated August 14, 2017, the Purchaser did exercise the Option;
- (iv) By Agreement made November 30, 2017, the parties agreed to extend the time within which the purchase of the property could be completed pursuant to the Option from November 15, 2017 to November 15, 2018, while maintaining the Purchase Price provided for in the October 20, 2016 lease extension agreement in exchange for a \$50,000 option extension fee payable to the Landlord ;
- (v) The Tenant did not complete the purchase of the Property by November 15, 2018 rendering the Option void; and
- (vi) The term of the Lease, as extended, expires November 14, 2019 and the parties wish to amend the Lease to extend the term upon certain terms.



NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto covenant and agree as follows:

1. Section 2 (2) of the Lease is amended so that the Base Rent payable by the Tenant to the Landlord during the Extension Term shall be in accordance with the following schedule, payable in equal consecutive monthly installments, in advance on the 15th day of each month, plus applicable HST:

Period	Monthly Base Rent
a. February 15, 2019 - November 14, 2020	\$10,000 plus HST
b. November 15, 2020 - November 14, 2021	\$10,300 plus HST
c. November 15, 2021-November 14, 2022	\$10,609 plus HST
d. November 15, 2022-November 14, 2023	\$10,927.27 plus HST
e. November 15, 2023-November 14, 2024	\$11,255.08 plus HST

2. Section 3 of the Lease is amended such that the term of the Lease is extended for a period of 5 years commencing November 15, 2019 and expiring on November 14, 2024 (the "Extension Term").
3. Section 3A of the Lease is amended to provide as follows:

Provided the Tenant is not in default under any of the terms of the Lease or this 2019 Extension Agreement beyond any cure periods provided for in the Lease, the Tenant shall have the right to extend the Lease for an additional term of Three (3) years (the "Further Extension Term"); commencing November 15, 2024 and subject to the same terms and conditions as contained in the Lease, excepting this right to extend. The Base Rent for the Further Extension Term shall be the greater of: (i) the Base Rent payable hereunder for the period November 15, 2023-November 14, 2024, and (ii) the fair market rent at the date the Further Extension Term commences for comparable Premises in the area which do not possess the leasehold improvements, if any, which have been effected to the Premises at the expense of the Tenant. If, one month prior to the end of the Extension Term the parties have not agreed on the Base Rent payable during the Further Extension Term, then the Base Rent shall be determined by arbitration under the provisions of the applicable provincial statute, and the award of the arbitrators shall be final and binding on the parties.

This option shall be exercised by the Tenant giving the Landlord written notice of exercise not later than SIX (6) months prior to November 14, 2024.

4. The parties acknowledge that the Landlord is holding a security deposit of \$8,447.88. By March 1, 2019, the Tenant shall deliver a payment of \$5,815.73 to the Landlord to bring the

total deposit to \$14,263.61 to reflect monthly Basic Rent of \$10,000, monthly additional rent of \$2,622.67 and HST.

- 5. The Landlord and Tenant acknowledge and agree that the Lease remains in full force and effect and that, other than as explicitly amended hereby, all others terms and conditions of the Lease shall remain unchanged and shall govern the relationship between the Landlord and Tenant during the Extension Term.

8423695 CANADA INC.

Per: M. Arnkvorn
Name: Michael Arnkvorn BSc

Executive Vice President

I/We have the authority to bind the corporation

SATARA FINANCIAL CORPORATION

per: LA
Name: LESUE AMOIES
Title: PRESIDENT

Per: _____
Name: _____
Title: _____

I/We have the authority to bind the corporation

**THIS IS EXHIBIT "U" REFERRED TO IN THE
AFFIDAVIT OF JEREMY BLUMER SWORN
THE 25TH DAY OF JULY, 2022**

A handwritten signature in black ink, appearing to be 'TG' with a long horizontal stroke extending to the right.

THOMAS GRAY
A Commissioner for taking affidavits, etc.

MPXI Group
Consolidating MAR 31, 2022 YTD
Cdn\$

	Biocannabis	Canveda	CinG-X	MPXI	Spartan	Alberta	MCLN	ALL Canada	Switzerland	Malta	Australia	UK	South Africa	Thailand	Salus	Total
Convertible loan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Option component of convertible loan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pension liability	-	-	-	-	-	-	-	-	160,555	-	-	-	-	-	-	160,555
Deferred income taxes	-	-	-	-	-	-	-	-	(0)	-	-	-	-	-	-	(0)
Total Liabilities	3,501,182	7,617,163	1,007,374	(8,244,390)	(2,095,186)	1,192,499	1,345,524	4,324,166	18,472,986	5,472,011	1,332,280	1,685,028	2,729,044	3,162,303	66,300	37,244,120
Shareholders' Deficit																
Share capital	-	5,209,533	-	42,412,722	-	-	1,402,547	49,024,801	14,980,017	1,159,020	1,266,851	-	-	-	-	66,430,689
Warrants	-	-	-	12,476,108	-	-	765,945	13,242,053	-	76,432	-	-	-	-	-	13,318,485
Contributed surplus	-	-	-	-	-	-	-	-	-	-	-	-	-	6,200,162	-	6,200,162
Share-based payment reserve	-	-	-	2,496,927	-	-	-	2,496,927	-	-	-	-	-	-	-	2,496,927
Equity portion of convertible debenture	-	-	-	702,509	-	106,501	-	809,010	-	-	-	-	-	-	-	809,010
OCI	-	-	-	98,390	-	-	-	98,390	959,215	192,942	(382)	73,272	129,398	(492,092)	6,792	967,535
NCI	-	-	-	-	-	-	-	-	-	(748,170)	-	-	399,774	3,302,077	-	2,953,681
Deficit, net income/loss	38,164	(739,600)	(1,000)	(7,144,116)	590,574	(154,417)	(575,919)	(7,986,314)	(1,735,027)	(570,840)	5,866	(157,110)	(91,714)	381,220	(117)	(10,154,036)
Deficit	(3,539,346)	(6,078,617)	(983,235)	(27,474,324)	1,719,617	(561,378)	(1,564,129)	(38,481,412)	(27,658,678)	(2,733,895)	(2,604,615)	(1,306,830)	103,083	(377,950)	(72,975)	(73,133,271)
Total Shareholders' Deficit	(3,501,182)	(1,608,685)	(984,235)	23,568,216	2,310,191	(609,294)	28,444	19,203,455	(13,454,472)	(2,624,511)	(1,332,280)	(1,390,668)	540,541	9,013,417	(66,300)	9,889,182
Total Liabilities & Shareholders' Deficit	0	6,008,478	23,138	15,323,826	215,006	583,206	1,373,968	23,527,622	5,018,514	2,847,501	0	294,360	3,269,585	12,175,720	-	47,133,302
P&L																
Revenue	-	1,369,679	-	-	1,375,550	-	-	2,745,228	813,811	-	-	-	-	18,063	-	3,577,102
Cost of sales	-	765,256	-	-	-	-	-	765,256	434,384	-	-	-	-	27,391	-	1,227,031
Gross margin	-	604,423	-	-	1,375,550	-	-	1,979,972	379,427	-	-	-	-	(9,328)	-	2,350,071
	-	44.1%	-	-	-	-	-	72.1%	46.6%	-	-	-	-	-	-	65.7%
Unrealized gain from changes in fair value of	-	188,475	-	-	-	-	-	188,475	-	-	-	-	-	-	-	188,475
Consulting fees	-	35,212	-	221,758	92,232	-	67,868	417,070	202,754	-	-	-	-	86,598	-	706,422
Management fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Occupancy costs	-	(8,910)	-	50,464	-	30,264	-	71,817	42,027	14,164	-	(147,753)	(11,131)	(3,743)	-	(34,620)
Office and general	(38,164)	718,102	-	181,875	34,695	1,893	-	898,402	538,597	97,045	17	91,487	23,779	473,404	-	2,122,733
Project costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repairs and maintenance	-	21,842	-	-	-	-	-	21,842	-	-	-	-	1,200	4,375	-	27,418
Royalty fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Salaries and benefits	-	405,590	-	662,181	431,339	55,938	-	1,555,047	434,540	257,581	11,213	76,270	-	498,336	-	2,832,987
Sales and marketing	-	17,726	-	-	36,119	-	-	53,845	365,792	-	-	-	-	76,787	-	496,424
Trustee fees, regulatory and corp services	-	-	-	20,201	-	-	-	20,201	-	-	-	-	-	-	-	20,201
Professional fees	-	3,127	-	762,111	-	-	-	765,238	96,041	15,026	-	-	7,962	105,304	-	989,571
Stock-based compensation	-	-	-	2,807	-	-	-	2,807	-	-	-	-	-	-	-	2,807
Amortization of intangible assets	-	-	-	1,276,421	-	-	508,015	1,784,436	91,819	281,897	-	-	-	760	-	2,158,911
Depreciation	-	199,516	-	69,335	-	38,064	-	306,915	280,855	13,458	-	129,950	14,541	160,999	-	906,719
	(38,164)	1,392,205	-	3,247,152	594,386	126,159	575,883	5,897,621	2,052,426	679,170	11,230	149,953	36,351	1,402,820	-	10,229,572
Loss from operations	38,164	(599,307)	-	(3,247,152)	781,164	(126,159)	(575,883)	(3,729,174)	(1,673,000)	(679,170)	(11,230)	(149,953)	(36,351)	(1,412,148)	-	(7,691,026)

MPXI Group
Consolidating MAR 31, 2022 YTD
Cdn\$

	Biocannabis	Canveda	CinG-X	MPXI	Spartan	Alberta	MCLN	ALL Canada	Switzerland	Malta	Australia	UK	South Africa	Thailand	Salus	Total
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accretion expense	-	-	-	4,200,568	-	-	-	4,200,568	-	-	-	-	-	-	-	4,200,568
FMV change - option component	-	-	-	(1,107,520)	-	-	-	(1,107,520)	-	-	-	-	-	-	-	(1,107,520)
Loss of FV of convertible loan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-off of goodwill and intangibles	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-down of inventory	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of loss of joint venture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange (gain)/loss	-	8,609	-	586,435	-	-	-	595,044	-	26,547	(17,096)	-	57,351	183	117	662,146
Change in FV of contingent liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on sale of investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on previously held investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and financing charges	-	29,331	1,000	104,161	5,283	28,258	36	168,069	61,828	7,833	-	7,157	20,940	476,543	-	742,370
Litigation Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Royalty fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transaction costs	-	-	-	113,319	-	-	-	113,319	-	-	-	-	-	(1,012)	-	112,307
Bad debt expense	-	102,353	-	-	(30,193)	-	-	72,160	-	-	-	-	-	-	-	72,160
Forgiveness of debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loss on disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	(23,731)	-	(23,731)
Loss on lease disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax on exceptional products	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	140,293	1,000	3,896,964	(24,910)	28,258	36	4,041,640	61,828	34,380	(17,096)	7,157	78,291	451,984	117	4,658,301
Net loss before taxes	38,164	(739,600)	(1,000)	(7,144,116)	806,074	(154,417)	(575,919)	(7,770,814)	(1,734,827)	(713,550)	5,866	(157,110)	(114,642)	(1,864,132)	(117)	(12,349,327)
Current tax expense	-	-	-	-	215,500	-	-	215,500	200	-	-	-	-	3,663	-	219,363
Deferred tax expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net loss after taxes	38,164	(739,600)	(1,000)	(7,144,116)	590,574	(154,417)	(575,919)	(7,986,314)	(1,735,027)	(713,550)	5,866	(157,110)	(114,642)	(1,867,795)	(117)	(12,568,689)
Change in fair value of marketable securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net realized gain on marketable securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax Refund on Tobacco	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Currency translation reserve	-	-	-	(12,138)	-	-	-	(12,138)	(161,350)	136,518	(44,810)	71,129	(25,743)	(407,003)	837	(442,560)
Comprehensive loss	38,164	(739,600)	(1,000)	(7,156,254)	590,574	(154,417)	(575,919)	(7,998,452)	(1,896,377)	(577,032)	(38,944)	(85,981)	(140,385)	(2,274,798)	720	(13,011,249)
Non-Controlling Interest	-	-	-	-	-	-	-	-	-	(142,710)	-	-	(22,928)	(2,249,015)	-	(2,414,653)
EBITDA																
Net loss	38,164	(739,600)	(1,000)	(7,144,116)	590,574	(154,417)	(575,919)	(7,986,314)	(1,735,027)	(713,550)	5,866	(157,110)	(114,642)	(1,867,795)	(117)	(12,568,689)
Adjustments:																
Amortization and depreciation	-	199,516	-	1,345,756	-	38,064	508,015	2,091,351	372,674	295,355	-	129,950	14,541	161,759	-	3,065,630
Interest Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and financing charges	-	29,331	1,000	104,161	5,283	28,258	36	168,069	61,828	7,833	-	7,157	20,940	476,543	-	742,370
Income tax expense (recovery)	-	-	-	-	215,500	-	-	215,500	200	-	-	-	-	3,663	-	219,363
Forgiveness of debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EBITDA	38,164	(510,753)	-	(5,694,198)	811,358	(88,095)	(67,868)	(5,511,393)	(1,300,325)	(410,362)	5,866	(20,003)	(79,161)	(1,225,830)	(117)	(8,541,327)

**THIS IS EXHIBIT "V" REFERRED TO IN THE
AFFIDAVIT OF JEREMY BLUMER SWORN
THE 25TH DAY OF JULY, 2022**

A handwritten signature in black ink, appearing to be 'TG' with a long horizontal stroke extending to the right.

THOMAS GRAY
A Commissioner for taking affidavits, etc.

MPX INTERNATIONAL CORPORATION

- and -

AST TRUST COMPANY (CANADA)

DEBENTURE INDENTURE

Providing for the Issuance of Secured Convertible Debentures

Dated as of June 30, 2020

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ADDENDA

Schedule "A"	Part I - Form of Debenture
Schedule "B"	Form of Notice of Conversion
Schedule "C"	Form of Declaration for Removal of Legend

DEBENTURE INDENTURE

THIS DEBENTURE INDENTURE is dated as of June 30, 2020.

BETWEEN:

MPX INTERNATIONAL CORPORATION, a company incorporated pursuant to the laws of the Province of Ontario and includes any successor corporation (hereinafter referred to as the "**Corporation**")

- and -

AST TRUST COMPANY (CANADA), a trust company existing under the laws of Canada and authorized to carry on business in all Provinces of Canada (hereinafter referred to as the "**Debenture Trustee**")

WHEREAS the Corporation has accepted the subscription for Units (as defined herein) from certain subscribers that have executed and delivered subscription agreements (collectively, the "**Subscription Agreements**"), pursuant to which the Debentures comprising the Units in part may be issued, on the terms and conditions described herein and therein;

AND WHEREAS the Corporation is proposing to issue Units for a minimum of US\$3,000,000 and a maximum of up to US\$3,700,000 pursuant to the Subscription Agreements and this Indenture (as defined herein);

AND WHEREAS pursuant to this Indenture, each Debenture shall entitle the holder thereof to conversion rights upon the terms and conditions herein set forth;

AND WHEREAS all acts and deeds necessary have been done and performed to make the Debentures, when created and issued as provided in this Indenture, legal, valid and binding upon the Corporation with the benefits and subject to the terms of this Indenture;

AND WHEREAS the foregoing recitals are made as representations and statements of fact by the Corporation and not by the Debenture Trustee;

NOW THEREFORE, in consideration of the premises and mutual covenants hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Corporation hereby appoints the Debenture Trustee as debenture trustee to hold the rights, interests and benefits contained herein for and on behalf of those persons who from time to time become the holders of Debentures issued pursuant to this Indenture and the parties hereto agree as follows:

ARTICLE 1 INTERPRETATION

Section 1.1 Definitions.

In this Indenture, including the recitals and schedules hereto, and in all indentures supplemental hereto:

“Applicable Legislation” means any statute of Canada or a province thereof, and the regulations under any such named or other statute, relating to debenture indentures or to the rights, duties and obligations of trustees under debenture indentures, to the extent that such provisions are at the time in force and applicable to this Indenture;

“Authenticated” means (a) with respect to the issuance of a Debenture Certificate, one which has been duly signed by the Corporation and authenticated by an authorized officer of the Debenture Trustee, and (b) with respect to the issuance of an Uncertificated Debenture, one in respect of which the Debenture Trustee has completed all Internal Procedures such that the particulars of such Uncertificated Debenture as required by Section 2.7 are entered in the register of holders of Debentures, **“Authenticate”**, **“Authenticating”** and **“Authentication”** have the appropriate correlative meanings;

“Book Entry Only Participants” means institutions that participate directly or indirectly in the Depository’s book entry registration system for the Debentures;

“Book Entry Only Debentures” means Debentures that are to be held only by or on behalf of the Depository;

“Business Day” means any day other than Saturday, Sunday or a statutory or civic holiday, or any other day on which the banks are open for business in the Province of Ontario;

“CDS Global Debentures” means Debentures representing all or a portion of the aggregate number of Debentures issued in the name of the Depository represented by an Uncertificated Debenture, or if requested by the Depository or the Corporation, by a Debenture Certificate;

“Certificated Debenture” means a Debenture evidenced by a writing or writings substantially in the form of Schedule “A”, attached hereto;

“Common Shares” means fully paid and non-assessable common shares of the Corporation as presently constituted;

“Confirmation” has the meaning ascribed thereto in Section 3.2(2);

“Conversion Notice” means the conversion notice for the Debentures substantially in the form as set out in Schedule “B” attached hereto;

“Conversion Price” means the dollar amount for which each Common Share may be issued upon the conversion of Debentures in accordance with the provisions of this Indenture, which shall, subject to adjustment as provided for herein, be C\$0.12 per Common Share;

“Corporation” means MPX International Corporation, and includes any successor corporation to or of the Corporation which shall have complied with Section 8.2;

“Counsel” means a barrister or solicitor or a firm of barristers and solicitors retained by the Debenture Trustee or retained by the Corporation and acceptable to the Debenture Trustee, which may or may not be counsel for the Corporation or retained by the Debentureholders;

“Coupon Date” has the meaning ascribed thereto in Section 2.2(2);

“CSE” means the Canadian Securities Exchange;

“Current Market Price” of the Common Shares at any date means the daily volume weighted average of the trading price per Common Share for such Common Shares for each day there was a closing price for the fifteen consecutive Trading Days ending five Business Days prior to such date on the Exchange;

“Debentures” means the secured convertible debentures created by and authorized by and issuable under this Indenture, bearing interest at a rate of 12% per annum payable quarterly in arrears on the applicable Coupon Date, to be issued and countersigned hereunder in certificated form and/or held through the book entry registration system on a no certificate issued basis, entitling the holder thereof to certain conversion rights pursuant to the terms hereof or means the Debentures issued and Authenticated hereunder, whether by way of Debenture Certificate or Uncertificated Debenture;

“Debenture Agency” means the principal office of the Debenture Trustee in the city of Toronto or such other place as may be designated in accordance with Section 3.5;

“Debenture Certificate” means a certificate, substantially in the form set forth in Schedule “A” hereto, to evidence those Debentures that will be evidenced by a certificate;

“Debentureholders”, or **“holders”** without reference to Debenture, means the debentureholders as and in respect of Debentures registered in the name of the Depository and includes owners of Debentures who beneficially hold securities entitlements in respect of the Debentures through a Book Entry Only Participant or means, at a particular time, the persons entered in the register hereinafter mentioned as holders of Debentures outstanding at such time;

“Debentureholders’ Request” means an instrument signed in one or more counterparts by Registered Debentureholders holding in the aggregate not less than 50% of the aggregate outstanding principal amount of Debentures then issued and outstanding, requesting the Debenture Trustee to take some action or proceeding specified therein;

“Debenture Trustee” means AST Trust Company (Canada), in its capacity as Debenture Trustee of the Debentures, or its successors from time to time;

“Depository” means CDS Clearing and Depository Services Inc. or such other person as is designated in writing by the Corporation to act as depository in respect of the Debentures;

“Dividends” means any dividends paid by the Corporation;

“EBITDA” means the net income (loss) from operations, adjusted by removing interest, tax, amortization and depreciation, other non-recurring or non-cash items, including share-based compensation, transaction costs, non-cash consulting fees, accretion expenses, foreign exchange, the non-cash effects of accounting for biological assets, changes in the fair value of contingent consideration payable, cash lease payments, write downs to inventory and losses on the disposal of property, plant and equipment;

“Exchange” means the CSE or if the Common Shares are not listed on the CSE, on such stock exchange upon which such Common Shares are listed, or, if such Common Shares are not listed on any stock exchange then on such over-the-counter market as may be selected for such purpose by the directors of the Corporation;

“Extraordinary Resolution” has the meaning ascribed thereto in Section 7.11;

“Event of Default” has the meaning ascribed thereto in Section 10.1;

“Free Cash Flow” means the cash that the Corporation produces after the Corporation pays for all its operating expenses (including creditor payments and interest payments) and provides for accrued but unpaid salaries and overdue creditor accounts. For the avoidance of doubt, the Free Cash Flow calculation for purposes of this Indenture will exclude: (a) the introduction of new capital; (b) any capital expenditure; (c) the sale proceeds received from the sale of any existing, unprocessed, Swiss inventory; and (d) proceeds from the disposal of any assets.

“Governmental Authority” means any:

- (a) federal, provincial, state, regional, municipal, local or other government, domestic or foreign;
- (b) governmental or quasi-governmental authority of any nature including any agency, branch, department, commission, board, court or tribunal;
- (c) body exercising any administrative, executive, judicial, legislative, police, regulatory, expropriation or taxing authority, domestic or foreign; or
- (d) self-regulatory organization or stock exchange having jurisdiction in the relevant circumstances, including the Exchange;

“**GSA**” means the general security agreement entered into by the Corporation in favour of the Trustee, on behalf of itself and the Debentureholders, securing the Corporation’s obligations under the Debentures and this Indenture, on the terms set forth in such agreement, and the Security Interest on the Secured Assets provided therein.

“**Guarantees**” means the guarantees entered into on the date here of by each of 2702148 Ontario Inc., BioCannabis Products Ltd., Canveda Inc., Holyworld SA, MPX Australia Pty Ltd, MPXI Alberta Corporation, MPXI Malta Holding Limited, MPXI Malta Operations Limited, Salus BioPharma Corporation, Spartan Wellness Corporation and The CinG-X Corporation, in favour of the Trustee, on behalf of itself and the Debentureholders, guaranteeing the obligations of the Corporation under the Debentures and this Indentures.

“**IFRS**” means International Financial Reporting Standards applicable to the Corporation;

“**Indebtedness**” means (a) indebtedness for borrowed money, (b) obligations evidenced by notes, bonds, debentures or similar instruments, (c) contingent obligations, or (d) capital lease obligations.

“**Interest Account**” means an account or accounts required to be established by the Corporation (and which shall be maintained by and subject to the control of the Debenture Trustee) for the Debentures issued pursuant to and in accordance with this Indenture;

“**Internal Procedures**” means in respect of the making of any one or more entries to, changes in or deletions of any one or more entries in the register at any time (including without limitation, original issuance or registration of transfer of ownership) the minimum number of the Debenture Trustee’s internal procedures customary at such time for the entry, change or deletion made to be complete under the operating procedures followed at the time by the Debenture Trustee;

“**Issue Date**” means the date on which any given Debenture is issued pursuant to and in accordance with this Indenture;

“**Lien**” means any mortgage, deed of trust, trust or deemed trust, lien (statutory or otherwise), pledge, assignment, hypothecation, encumbrance, charge, security interest, deposit arrangement, royalty interest, claim, right of detention or seizure, right of distraint, easement, or right of set off (other than a right of set off arising in the ordinary course), including the interest of a vendor or a lessor under any conditional sale agreement, capital lease, title retention agreement or consignment agreement (or any financing lease having substantially the same economic effect as any of the foregoing), and any other agreement, trust or arrangement that in substance secures payment or performance of an obligation.

“**Maturity Account**” means an account or accounts required to be established by the Corporation (and which shall be maintained by and subject to the control of the Debenture Trustee) for the Debentures issued pursuant to and in accordance with this Indenture;

“Maturity Date” means the date of maturity for the Debentures, being two (2) years from the Issue Date;

“Permitted Indebtedness” means, in each case with respect to the Corporation or any of its wholly-owned Subsidiaries, as the case may be:

- (a) Indebtedness evidenced by the Debentures (including interest due thereunder);
- (b) Indebtedness in existence as of the date of this Indenture;
- (c) Indebtedness incurred with respect to any equipment financing arrangement in the ordinary course of business;
- (d) secured or unsecured Indebtedness that is subordinate in all respects to the Debentures up to US\$3,000,000.00 in aggregate or such greater amount upon the approval of Debentureholders holding at least 50% of the aggregate principal amount of Debentures then outstanding such consent not to be unreasonably withheld and where no fees will be payable by the Corporation in respect of any such consent where such indebtedness is to be subordinated to the debenture;
- (e) unsecured Indebtedness to trade creditors incurred in the ordinary course of business;
- (f) Indebtedness secured by any Permitted Lien; and
- (g) Extensions, refinancings, modifications, amendments and restatements of any of the Permitted Indebtedness described above, provided that the principal amount thereof is not increased or the terms thereof are not modified to impose more burdensome terms upon the Corporation (or its subsidiaries).

“Permitted Liens” means any one or more of the following:

- (a) Liens for taxes which are not due or delinquent or the validity of which is being contested at the time by the Corporation (or an affiliate thereof) in good faith by proper legal proceedings if adequate provision has been made for their payment and such Liens are not executed on or enforced against any of the Secured Assets;
- (b) inchoate or statutory Liens of contractors, subcontractors, mechanics, workers, suppliers, materialmen, carriers and others in respect of construction, maintenance, repair or operation of the Secured Assets, in each case, (i) that are related to obligations not due or delinquent, (ii) that are not registered against title to any assets of the Person, (iii) either (A) in respect of which adequate holdbacks are being maintained as required by applicable law or (B) that are being contested in good faith by appropriate proceedings and in respect of which there has been set aside a reserve (segregated to the extent required by IFRS) in an adequate amount and (iv) that do not reduce the value of the Secured Assets or materially

interfere with the use of such Secured Assets in the operation of the business of the Corporation;

- (c) easements, rights-of-way, servitudes, restrictions and similar rights in real property provided that such easements, rights-of-way, servitudes, restrictions and similar rights do not reduce the value of the affected Secured Assets or materially interfere with the use of such Secured Assets in the operation of the business of the Corporation;
- (d) title defects or irregularities which are of a minor nature and which do not reduce the value of the Secured Assets or materially interfere with the use of such Secured Assets in the operation of the business of the Corporation;
- (e) Liens resulting from the deposit of cash or securities in connection with bids or tenders in the ordinary course of business, or to secure obligations in the ordinary course of business pursuant to workers' compensation, employment insurance or similar legislation;
- (f) Liens securing appeal bonds and other similar Liens arising in connection with court proceedings (including, without limitation, surety bonds, security for costs of litigation where required by applicable law and letters of credit) or any other instruments serving a similar purpose;
- (g) attachments, judgments and other similar Liens arising in connection with court proceedings; provided, however, that the Liens are in existence for less than 10 days after their creation or the execution or other enforcement of the Liens is effectively stayed or the claims so secured are being actively contested in good faith and by proper legal proceedings;
- (h) the reservations, limitations, provisos and conditions, if any, expressed in any original grant from the Crown of any real property or any interest therein or in any comparable grant in jurisdictions other than Canada, provided they do not reduce the value of the Secured Assets or materially interfere with the use of such Secured Assets in the operation of the business of the Corporation;
- (i) Liens given to a public utility or any municipality or governmental or other public authority when required by such utility or other authority in connection with the operation of the business or the ownership of the Secured Assets, provided that such Liens do not reduce the value of the Secured Assets or materially interfere with the use of such Secured Assets in the operation of the business of the Corporation;
- (j) servicing agreements, development agreements, site plan agreements, subdivision agreements and other agreements with governmental authorities pertaining to the use or development of any of the Secured Assets, provided same are complied with and do not reduce the value of the Secured Assets or materially interfere with the use of such Secured Assets in the operation of the business of the Corporation

including, without limitation, any obligations to deliver letters of credit and other security as required;

- (k) applicable municipal and other governmental restrictions, including municipal by-laws and regulations, affecting the use of land or the nature of any structures which may be erected thereon, provided such restrictions have been complied with and do not reduce the value of the Secured Assets or materially interfere with the use of such Secured Assets in the operation of the business of the Corporation;
- (l) the right reserved to or vested in any governmental authority by any statutory provision or by the terms of any lease, licence, franchise, grant or permit of the Person, to terminate any such lease, licence, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof;
- (m) Liens in favour of the Trustee and the Debentureholders created by the Security Documents;
- (n) Other than with respect to Uncle Sam's Cannabis Ltd. ("**Uncle Sam's**"), liens arising as a result of any security granted in favour of the vendors in connection with the acquisition by the Corporation or its subsidiaries of any business (or subset thereof) provided that such Liens are limited to the assets of, and related equity interest in, such acquired business;
- (o) Liens related to indebtedness assumed by the Corporation (or an affiliate) as part of, or issued or incurred by the Corporation (or such affiliate) to pay or provide funds to pay, all or part of the purchase price of any equipment hereafter or previously acquired by the Corporation (or such affiliate);
- (p) Liens in existence as of the date of this Indenture provided that such Liens shall in no event relate to indebtedness in an aggregate amount greater than \$300,000; and
- (q) Liens related to any security interest consented to in writing by an Extraordinary Resolution delivered to the Trustee;

"**person**" means an individual, body corporate, partnership, trust, debenture trustee, executor, administrator, legal representative or any unincorporated organization;

"**Pledge Agreement**" means the pledge agreement entered into by the Corporation in favour of the Trustee, on behalf of itself and the Debentureholders, securing the Corporation's obligations under the Debentures and this Indenture, limited to the pledge of the shares held by the Corporation in the capital of 2702148 Ontario Inc., BioCannabis Products Ltd., Canveda Inc., Holyworld SA, MPX Australia Pty. Ltd., MPXI Alberta Corporation, MPXI Malta Holding Limited, MPXI Malta Operations Limited, MPXI UK Limited, Salus BioPharma Corporation, Spartan Wellness Corporation and The CinG-X Corporation, on the terms set forth in such agreement, and the Security Interest provided therein;

“register” means the one set of records and accounts maintained by the Debenture Trustee pursuant to Section 2.8;

“Registered Debentureholders” means the persons who are registered owners of Debentures as such names appear on the register, and for greater certainty, shall include the Depository as well as the holders of Uncertificated Debentures appearing on the register of the Debenture Trustee;

“Remuneration Milestone” has the meaning ascribed thereto in Section 9.12(1);

“Repayment Election” has the meaning ascribed thereto in Section 2.2(3);

“Repayment Option” has the meaning ascribed thereto in Section 2.2(3);

“Repayment Option Notice” has the meaning ascribed thereto in Section 2.2(3);

“Rights Offering” has the meaning ascribed thereto in Section 4.1(b);

“Secured Assets” means those certain assets of the Corporation subject to, or intended to be subject to, the Security Interest created pursuant to the Security Documents and any proceeds thereof and includes any part thereof as the context requires;

“Security Documents” means, collectively, the GSA, the Pledge Agreement and such further agreements, instruments and other documents that may at any time be required to be provided by the Corporation or its subsidiaries hereunder to ensure that the Trustee (for itself and the Debentureholders) has, subject to the Permitted Liens a first priority Security Interest in all of the Secured Assets;

“Security Interest” means the security interest granted to the Trustee on behalf of itself and the Debentureholders in the Secured Assets pursuant to the terms and conditions of the Security Documents;

“Shareholders” means holders of Common Shares;

“Subscription Agreements” means the subscription agreements with the subscribers of Units and the Corporation, dated as of the date hereof, pursuant to which Debentures may be issued;

“Tax” and **“Taxes”** means all taxes, assessments, reassessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Authority, including all income taxes (including any tax on or based upon net income, gross income, income as specially defined, earnings, profits or selected items of income, earnings or profits), windfall profits taxes, gross receipts taxes, withholding or similar taxes, branch taxes, net worth taxes, surtaxes, production taxes, sales taxes, use taxes, ad valorem taxes, value added taxes, excise taxes, goods and services tax, harmonized sales tax, capital taxes, stamp taxes, premium taxes, property taxes, land transfer taxes, mining taxes, environmental taxes, franchise taxes, licence taxes, health taxes, payroll taxes, employment taxes, severance taxes, social security premiums,

employment insurance or compensation premiums, Canada or Québec Pension Plan premiums, workers' compensation premiums, mandatory pension and other social fund taxes or premiums, alternative or add-on minimum taxes, custom duties or other governmental taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind whatsoever imposed by any Governmental Authority in respect of the relevant entity, together with any interest, penalties or additions thereto and any interest in respect of such penalties or additions;

"this Debenture Indenture", **"this Indenture"**, **"this Agreement"**, **"hereto"** **"herein"**, **"hereby"**, **"hereof"** and similar expressions mean and refer to this indenture and any indenture, deed or instrument supplemental hereto; and the expressions **"Article"**, **"Section"**, **"subsection"** and **"paragraph"** followed by a number, letter or both mean and refer to the specified article, section, subsection or paragraph of this indenture;

"Trading Day" means, with respect to a stock exchange, a day on which such exchange is open for the transaction of business and with respect to the over-the-counter market means a day on which the CSE is open for the transaction of business;

"Uncertificated Debenture" means any Debenture which is not a Certificated Debenture;

"Unit" means units of the Corporation comprised of one (1) Debenture and 7,000 Warrants;

"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" has the meaning set forth in Rule 902(k) of Regulation S under the U.S. Securities Act;

"U.S. Securities Act" means the United States Securities Act of 1933, as amended;

"Warrant Indenture" means the warrant indenture dated the date hereof between the Corporation, as issuer, and AST Trust Company (Canada), as warrant agent.

"Warrants" means the common share purchase warrants created by and issued under the Warrant Indenture; and

"written order of the Corporation", **"written request of the Corporation"**, **"written consent of the Corporation"** and **"certificate of the Corporation"** mean, respectively, a written order, request, consent and certificate signed in the name of the Corporation by its President and Chief Executive Officer, or a person acting in any such capacity for the Corporation and may consist of one or more instruments so executed.

Section 1.2 Gender and Number.

Words importing the singular number or masculine gender shall include the plural number or the feminine or neuter genders, and vice versa.

Section 1.3 Headings, Etc.

The division of this Indenture into Articles and Sections, the provision of a Table of Contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Indenture or of the Debentures.

Section 1.4 Day not a Business Day.

If any day on or before which any action or notice is required to be taken or given hereunder is not a Business Day, then such action or notice shall be required to be taken or given on or before the requisite time on the next succeeding day that is a Business Day.

Section 1.5 Time of the Essence.

Time shall be of the essence of this Indenture.

Section 1.6 Monetary References.

Whenever any amounts of money are referred to herein, such amounts shall be deemed to be in lawful money of the United States unless otherwise expressed. References herein to "dollars" and "US\$" are to United States dollars and all references to "C\$" are to Canadian dollars.

Section 1.7 Applicable Law.

This Indenture, the Debentures and the Debenture Certificates shall be construed in accordance with the laws of the Province of Ontario and the federal laws applicable therein. Each of the parties hereto, which shall include the Debentureholders, irrevocably attorns to the exclusive jurisdiction of the courts of the Province of Ontario with respect to all matters arising out of this Indenture and the transactions contemplated herein.

**ARTICLE 2
ISSUE OF DEBENTURES**

Section 2.1 Creation and Issue of Debentures.

A minimum of US\$3,000,000 and a maximum of up to US\$3,700,000 in principal amount of Debentures are hereby created and authorized to be issued in accordance with the terms and conditions hereof. By written order of the Corporation, the Debenture Trustee shall deliver Debenture Certificates to Registered Debentureholders and record the name of the Registered Debentureholders on the Debenture register. Registration of interests in Debentures held by the Depository may be evidenced by a position appearing on the register for Debentures of the Debenture Trustee for an amount representing the aggregate number of such Debentures outstanding from time to time. Notwithstanding the above, all Debentures issued in the United States or to, or for the account or benefit of, a U.S. Person or a person within the United States will be delivered in certificated form.

Section 2.2 Terms of Debentures.

- (1) The Debentures authorized for issue immediately, in the aggregate principal amount a minimum of US\$3,000,000 and a maximum of up to US\$3,700,000, shall be designated as “12% Secured Convertible Debentures” and shall be dated as of their Issue Date and shall, subject to the terms of this Indenture, mature on the Maturity Date.
- (2) The Debentures shall bear interest at a rate of 12% per annum (based on a year of 360 days) from their Issue Date, payable quarterly in arrears on the last day of March, June, September and December in each year, commencing December 31, 2020 (each, a “**Coupon Date**”). The amount of interest that becomes payable on December 31, 2020 will represent accrued interest for the period from the applicable Issue Date to December 31, 2020. For the purposes of the Debenture Trustee and their internal processing, the record dates for the payment of interest on the Debentures will be the fifth Business Day preceding the applicable Coupon Date.
- (3) The Corporation shall have the option, exercisable in its sole discretion, of repaying all or any portion of the then outstanding principal amount, including any interest then accrued and outstanding, of all Debentures in cash at any time. In the event that the Corporation exercises this option (the “**Repayment Option**”), the Corporation shall deliver, to the Debenture Trustee, and the Debenture Trustee shall deliver via registered mail, within 5 Business Days of its receipt, to the holders of the Debentures, a notice stating that the Corporation has elected to repay the outstanding principal amount of the Debentures, and specifying the date on which such Repayment Option will occur (a “**Repayment Option Notice**”). The Repayment Option Notice shall be delivered to the Debentureholder at least 30 days prior to the Corporation exercising the Repayment Option. After the Repayment Option Notice is delivered, the Debentureholder shall make an election to either convert all or a portion of its Debentures or take full or partial payment, and shall notify the Corporation of its election within 20 days of receiving the Repayment Option Notice (the “**Repayment Election**”).
- (4) In the event that the Corporation exercises the Repayment Option, interest on such principal amount being repaid shall be calculated from, and including, the Issue Date up to but excluding the date of repayment. Such repayment shall be made in accordance with the procedures specified in Section 2.14
- (5) The Debentures will be convertible in accordance with the terms of Article 3, at the holder's option, into fully-paid Common Shares pursuant to the terms hereof, at the Conversion Price. The Conversion Notice for the Debentures shall be substantially in the form of Schedule “B”.
- (6) The indebtedness, liabilities and obligations of the Corporation hereunder and under the Debenture Certificates to the holder will be a direct obligation of the Corporation secured by the Security Interests granted by the Security Documents. The Debentures will rank equally with one another.

Section 2.3 Debentureholder not a Shareholder.

Except as may be specifically provided herein, nothing in this Indenture or in the holding of a Debenture Certificate, entitlement to a Debenture or otherwise, shall, in itself, confer or be construed as conferring upon a Debentureholder any right or interest whatsoever as a Shareholder of the Corporation, including, but not limited to, the right to vote at, to receive notice of, or to attend, meetings of Shareholders or any other proceedings of the Corporation, or the right to Dividends and other allocations.

Section 2.4 Debentures to Rank Pari Passu.

All Debentures shall rank equally and without preference over each other, whatever may be the actual date of issue thereof.

Section 2.5 Form of Debentures and Certificated Debentures.

The Debentures may be issued in both certificated and uncertificated form. All Debentures issued in certificated form shall be evidenced by the Debenture Certificates (including all replacements issued in accordance with this Indenture), substantially in the form set out in Schedule "A" hereto, which shall be dated as of their Issue Date, shall bear such distinguishing letters and numbers as the Corporation may, with the approval of the Debenture Trustee, prescribe, and shall be issuable in any denomination excluding fractions. All Debentures issued to the Depository may be in either a certificated or uncertificated form, such uncertificated form being evidenced by a book position on the register of Debentureholders to be maintained by the Debenture Trustee in accordance with Section 2.8.

Section 2.6 Book Entry Only Debentures.

- (1) Reregistration of beneficial interests in and transfers of Debentures held by the Depository shall be made only through the book entry registration system and no Debenture Certificates shall be issued in respect of such Debentures except where physical certificates evidencing ownership in such securities are required or as set out herein or as may be requested by a Depository, as determined by the Corporation, from time to time. Except as provided in this Section 2.6, owners of beneficial interests in any CDS Global Debentures shall not be entitled to have Debentures registered in their names and shall not receive or be entitled to receive Debentures in definitive form or to have their names appear in the register referred to in Section 2.8 herein.
- (2) Notwithstanding any other provision in this Indenture, no CDS Global Debentures may be exchanged in whole or in part for Debentures registered, and no transfer of CDS Global Debentures in whole or in part may be registered, in the name of any person other than the Depository for such CDS Global Debentures or a nominee thereof unless:
 - (a) the Depository notifies the Corporation that it is unwilling or unable to continue to act as depository in connection with the Book Entry Only Debentures and the Corporation is unable to locate a qualified successor;

- (b) the Corporation determines that the Depository is no longer willing, able or qualified to discharge properly its responsibilities as holder of the CDS Global Debentures and the Corporation is unable to locate a qualified successor;
- (c) the Depository ceases to be a clearing agency or otherwise ceases to be eligible to be a depository and the Corporation is unable to locate a qualified successor;
- (d) the Corporation determines that the Debentures shall no longer be held as Book Entry Only Debentures through the Depository;
- (e) such right is required by Applicable Legislation, as determined by the Corporation and the Corporation's counsel; or
- (f) the Debenture is to be Authenticated to or for the account or benefit of a U.S. Person or a person in the United States;

following which Debentures for those holders requesting such shall be issued to the beneficial owners of such Debentures or their nominees as directed by the holder. The Corporation shall provide an officer's certificate giving notice to the Debenture Trustee of the occurrence of any event outlined in this Section 2.6(2).

- (3) Subject to the provisions of this Section 2.6, any exchange of CDS Global Debentures for Debentures which are not CDS Global Debentures may be made in whole or in part in accordance with the provisions of Section 2.10, *mutatis mutandis*. All such Debentures issued in exchange for a CDS Global Debenture or any portion thereof shall be registered in such names as the Depository for such CDS Global Debentures shall direct and shall be entitled to the same benefits and subject to the same terms and conditions (except insofar as they relate specifically to CDS Global Debentures) as the CDS Global Debentures or portion thereof surrendered upon such exchange.
- (4) Every Debenture Authenticated upon registration of transfer of a CDS Global Debenture, or in exchange for or in lieu of a CDS Global Debenture or any portion thereof, whether pursuant to this Section 2.6, or otherwise, shall be Authenticated in the form of, and shall be, a CDS Global Debenture, unless such Debenture is registered in the name of a person other than the Depository for such CDS Global Debenture or a nominee thereof.
- (5) Notwithstanding anything to the contrary in this Indenture, subject to Applicable Legislation, the CDS Global Debenture will be issued as an Uncertificated Debenture, unless otherwise requested in writing by the Depository or the Corporation.
- (6) The rights of beneficial owners of Debentures who hold securities entitlements in respect of the Debentures through the book entry registration system shall be limited to those established by applicable law and agreements between the Depository and the Book Entry Only Participants and between such Book Entry Only Participants and the beneficial owners of Debentures who hold securities entitlements in respect of the Debentures through the book entry registration system, and such rights must be exercised through a

Book Entry Only Participant in accordance with the rules and procedures of the Depository.

- (7) Notwithstanding anything herein to the contrary, neither the Corporation nor the Debenture Trustee nor any agent thereof shall have any responsibility or liability for:
 - (a) the electronic records maintained by the Depository relating to any ownership interests or any other interests in the Debentures or the depository system maintained by the Depository, or payments made on account of any ownership interest or any other interest of any person in any Debenture represented by an electronic position in the book entry registration system (other than the Depository or its nominee);
 - (b) for maintaining, supervising or reviewing any records of the Depository or any Book Entry Only Participant relating to any such interest; or
 - (c) any advice or representation made or given by the Depository or those contained herein that relate to the rules and regulations of the Depository or any action to be taken by the Depository on its own direction or at the direction of any Book Entry Only Participant.
- (8) The Corporation may terminate the application of this Section 2.6 in its sole discretion in which case all Debentures shall be evidenced by Debenture Certificates registered in the name of a person other than the Depository.

Section 2.7 Debenture Certificate.

- (1) For Debentures issued in certificated form, the form of certificate representing Debentures shall be substantially as set out in Schedule "A" hereto or such other form as is authorized from time to time by the Debenture Trustee. Each Debenture Certificate shall be Authenticated on behalf of the Debenture Trustee. Each Debenture Certificate shall be signed by any authorized officer or director of the Corporation, whose signature shall appear on the Debenture Certificate and may be printed, lithographed or otherwise mechanically reproduced thereon and, in such event, certificates so signed are as valid and binding upon the Corporation as if it had been signed manually. Any Debenture Certificate which has two signatures as hereinbefore provided shall be valid notwithstanding that one or more of the persons whose signature is printed, lithographed or mechanically reproduced no longer holds office at the date of issuance of such certificate. The Debenture Certificates may be engraved, printed or lithographed, or partly in one form and partly in another, as the Debenture Trustee may determine.
- (2) Any Debenture Certificate validly issued in accordance with the terms of this Indenture in effect at the time of issue of such Debenture Certificate shall, subject to the terms of this Indenture and applicable law, validly entitle the holder to receive Common Shares, notwithstanding that the form of such Debenture Certificate may not be in the form currently required by this Indenture.

- (3) No Debenture shall be considered issued and shall be valid or obligatory or shall entitle the holder thereof to the benefits of this Indenture, until it has been Authenticated by the Debenture Trustee. Authentication by the Debenture Trustee shall not be construed as a representation or warranty by the Debenture Trustee as to the validity of this Indenture or of such Debenture Certificates or Uncertificated Debentures (except the due Authentication thereof) or as to the performance by the Corporation of its obligations under this Indenture and the Debenture Trustee shall in no respect be liable or answerable for the use made of the Debentures or any of them or of the consideration thereof. Authentication by the Debenture Trustee shall be conclusive evidence as against the Corporation that the Debentures so Authenticated have been duly issued hereunder and that the holder thereof is entitled to the benefits of this Indenture.
- (4) The Debenture Trustee shall Authenticate Uncertificated Debentures (whether upon original issuance, exchange, registration of transfer, or otherwise) by completing its Internal Procedures and the Corporation shall, and hereby acknowledges that it shall, thereupon be deemed to have duly and validly issued such Uncertificated Debentures under this Indenture. Such Authentication shall be conclusive evidence that such Uncertificated Debenture has been duly issued hereunder and that the holder or holders are entitled to the benefits of this Indenture. The register shall be final and conclusive evidence as to all matters relating to Uncertificated Debentures with respect to which this Indenture requires the Debenture Trustee to maintain records or accounts. In case of differences between the register at any time and any other time the register at the later time shall be controlling, absent manifest error.
- (5) No Certificated Debenture shall be considered issued and Authenticated or, if Authenticated, shall be obligatory or shall entitle the holder thereof to the benefits of this Indenture, until it has been Authenticated by or on behalf of the Debenture Trustee substantially in the form of the Debenture set out in Schedule "A" hereto. Such Authentication on any such Certificated Debenture shall be conclusive evidence that such Certificated Debenture is duly Authenticated and is valid and a binding obligation of the Corporation and that the holder is entitled to the benefits of this Indenture. The Authentication by the Debenture Trustee on any such Certificated Debenture hereunder shall not be construed as a representation or warranty by the Debenture Trustee as to the validity of this Indenture or of such Debenture or its issuance (except the due Authentication thereof and any other warranties by law) or as to the performance by the Corporation of its obligations under this Indenture and the Debenture Trustee shall in no respect be liable or answerable for the use made of the Debentures or any of them or the proceeds thereof.
- (6) No Uncertificated Debenture shall be considered issued and shall be obligatory or shall entitle the holder thereof to the benefits of this Indenture, until it has been Authenticated by entry on the register of the particulars of the Uncertificated Debenture. Such entry on the register of the particulars of an Uncertificated Debenture shall be conclusive evidence that such Uncertificated Debenture is a valid and binding obligation of the Corporation and that the holder is entitled to the benefits of this Indenture. Authenticating by way of entry on the register shall not be construed as a representation or warranty by the Debenture Trustee as to the validity of this Indenture or of such Debentures (except the

due Authentication thereof) or as to the performance by the Corporation of its obligations under this Indenture and the Debenture Trustee shall in no respect be liable or answerable for the use made of the Uncertificated Debentures or any of them or the proceeds thereof.

Section 2.8 Register of Debentures.

- (1) The Debenture Trustee shall maintain records and accounts concerning the Debentures, whether certificated and uncertificated, which shall contain the information called for below with respect to each Debenture, together with such other information as may be required by law or as the Debenture Trustee may elect to record. All such information shall be kept in one set of accounts and records which the Debenture Trustee shall designate (in such manner as shall permit it to be so identified as such by an unaffiliated party) as the register of the holders of Debentures. The information to be entered for each account in the register of Debentures at any time shall include (without limitation):
 - (a) the name and address of the holder of the Debentures, the date of Authentication thereof and the number of Debentures;
 - (b) whether such Debenture is a Certificated Debenture or an Uncertificated Debenture and, if a Debenture Certificate, the unique number or code assigned to and imprinted thereupon and, if an Uncertificated Debenture, the unique number or code assigned thereto if any;
 - (c) whether such Debenture has been cancelled; and
 - (d) a register of transfers in which all transfers of Debentures and the date and other particulars of each transfer shall be entered.
- (2) The register shall be available for inspection by the Corporation and or any Debentureholder during the Debenture Trustee's regular business hours on a Business Day and upon payment to the Debenture Trustee of its reasonable fees. Any Debentureholder exercising such right of inspection shall first provide an affidavit in form satisfactory to the Corporation and the Debenture Trustee stating the name and address of the Debentureholder and agreeing not to use the information therein except in connection with an effort to call a meeting of Debentureholders or to influence the voting of Debentureholders at any meeting of Debentureholders.
- (3) Once an Uncertificated Debenture has been Authenticated, the information set forth in the register with respect thereto at the time of Authentication may be altered, modified, amended, supplemented or otherwise changed only to reflect conversion or proper instructions to the Debenture Trustee from the holder as provided herein, except that the Debenture Trustee may act unilaterally to make purely administrative changes internal to the Debenture Trustee and changes to correct errors. Each person who becomes a holder of an Uncertificated Debenture, by his, her or its acquisition thereof shall be deemed to have irrevocably (i) consented to the foregoing authority of the Debenture Trustee to make such error corrections and (ii) agreed to pay to the Debenture Trustee, promptly upon written demand, the full amount of all loss and expense (including without limitation

reasonable legal fees of the Corporation and the Debenture Trustee) plus interest, at an appropriate then prevailing rate of interest to the Debenture Trustee, sustained by the Corporation or the Debenture Trustee as a proximate result of such error if but only if and only to the extent that such present or former holder realized any benefit as a result of such error and could reasonably have prevented, forestalled or minimized such loss and expense by prompt reporting of the error or avoidance of accepting benefits thereof whether or not such error is or should have been timely detected and corrected by the Debenture Trustee; provided, that no person who is a bona fide purchaser shall have any such obligation to the Corporation or to the Debenture Trustee.

Section 2.9 Issue in Substitution for Debenture Certificates Lost, etc.

- (1) If any Debenture Certificate becomes mutilated or is lost, destroyed or stolen, the Corporation, subject to applicable law, shall issue and thereupon the Debenture Trustee shall certify and deliver, a new Debenture Certificate of like tenor, and bearing the same legend, if applicable, as the one mutilated, lost, destroyed or stolen in exchange for and in place of and upon cancellation of such mutilated Debenture Certificate, or in lieu of and in substitution for such lost, destroyed or stolen Debenture Certificate, and the substituted Debenture Certificate shall be in a form approved by the Debenture Trustee and the Debentures evidenced thereby shall be entitled to the benefits hereof and shall rank equally in accordance with its terms with all other Debentures issued or to be issued hereunder.
- (2) The applicant for the issue of a new Debenture Certificate pursuant to this Section 2.9 shall bear the cost of the issue thereof and in case of loss, destruction or theft shall, as a condition precedent to the issuance thereof, furnish to the Corporation and to the Debenture Trustee such evidence of ownership and of the loss, destruction or theft of the Debenture Certificate so lost, destroyed or stolen as shall be satisfactory to the Corporation and to the Debenture Trustee, each in their sole discretion, and such applicant shall also be required to furnish an indemnity and surety bond in amount and form satisfactory to the Corporation and the Debenture Trustee, in their sole discretion, and shall pay the reasonable charges of the Corporation and the Debenture Trustee in connection therewith.

Section 2.10 Exchange of Debenture Certificates.

- (1) Any one or more Debenture Certificates representing any number of Debentures may, upon compliance with the reasonable requirements of the Debenture Trustee (including compliance with applicable securities legislation), be exchanged for one or more other Debenture Certificates representing the same aggregate number of Debentures, and bearing the same legend, if applicable, as represented by the Debenture Certificate or Debenture Certificates so exchanged.
- (2) Debenture Certificates may be exchanged only at the Debenture Agency or at any other place that is designated by the Corporation with the approval of the Debenture Trustee. Any Debenture Certificate from the holder (or such other instructions, in form satisfactory

to the Debenture Trustee), tendered for exchange shall be cancelled and surrendered by the Debenture Agency to the Debenture Trustee.

Section 2.11 Transfer and Ownership of Debentures.

- (1) The Debentures may only be transferred on the register kept by the Debenture Trustee at the Debenture Agency by the holder or its legal representatives or its attorney duly appointed by an instrument in writing in form and execution satisfactory to the Debenture Trustee only upon (a) in the case of a Debenture Certificate, surrendering to the Debenture Trustee at the Debenture Agency the Debenture Certificates representing the Debentures to be transferred together with a duly executed transfer form as set forth in Schedule "A", (b) in the case of Book Entry Only Debentures, in accordance with procedures prescribed by the Depository under the book entry registration system, (c) in the case of Uncertificated Debentures, surrendering to the Debenture Trustee at the Debenture Agency, such other instructions, in form satisfactory to the Debenture Trustee, and (d) upon compliance with:
 - (a) the conditions herein;
 - (b) such reasonable requirements as the Debenture Trustee may prescribe; and
 - (c) all applicable securities legislation and requirements of regulatory authorities;

and such transfer shall be duly noted in such register by the Debenture Trustee. Upon compliance with such requirements, the Debenture Trustee shall issue to the transferee of a Certificated Debenture, a Debenture Certificate, and to the transferee of an Uncertificated Debenture, an Uncertificated Debenture (or it shall Authenticate and deliver a Certificated Debenture instead, upon request), representing the Debentures transferred and the transferee of a Book Entry Only Debenture shall be recorded through the relevant Book Entry Only Participant in accordance with the book entry registration system as the entitlement holder in respect of such Debentures.

- (2) Subject to the provisions of this Indenture and applicable law, the Debentureholder shall be entitled to the rights and privileges attaching to the Debentures, and the issue of Common Shares by the Corporation upon the conversion of Debentures in accordance with the terms and conditions herein contained which shall discharge all responsibilities of the Corporation and the Debenture Trustee with respect to such Debentures and none of the Corporation or the Debenture Trustee shall be bound to inquire into the title of any such holder.

Section 2.12 Cancellation of Surrendered Debentures.

All Debenture Certificates surrendered pursuant to Section 2.10(1), Section 2.11(1) or Article 3 shall be cancelled by the Debenture Trustee and upon such circumstances all such Debenture Certificates shall be deemed cancelled and so noted on the register by the Debenture Trustee. Upon request by the Corporation, the Debenture Trustee shall furnish to the Corporation a cancellation certificate identifying the Debenture Certificates so cancelled, the number of

Debentures evidenced thereby, the number of Common Shares, if any, issued pursuant to the conversion of such Debentures and the details of any Debenture Certificates issued in substitution or exchange for such Debenture Certificates cancelled.

Section 2.13 Concerning Interest.

- (1) All Debentures issued hereunder, whether originally or upon exchange or in substitution for previously issued Debentures which are interest bearing, shall bear interest at a rate of 12% per annum payable quarterly in arrears on the applicable Coupon Date in accordance with Section 2.2(2).
- (2) All accrued but unpaid interest as of each Coupon Date shall be payable by the Corporation in cash on the applicable Coupon Date in accordance with Section 2.2(2).
- (3) Unless otherwise specifically provided in the terms of the Debentures, interest shall be computed on the basis of a 360-day year composed of twelve 30-day months. With respect to the Debentures, whenever interest is computed on the basis of a year (the “deemed year”) which contains more days than the actual number of days in the calendar year of calculation, such rate of interest shall be expressed as a yearly rate for purposes of the *Interest Act* (Canada) by multiplying such rate of interest by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year.

Section 2.14 Payments of Amounts Due on Maturity.

- (1) Except as may otherwise be provided herein, including Section 2.14(2) or in any supplemental indenture in respect of the Debentures, payments of amounts due upon maturity of the Debentures will be made in the following manner. The Corporation will establish and maintain with the Debenture Trustee a Maturity Account for the Debentures. Each such Maturity Account shall be maintained by and be subject to the control of the Debenture Trustee for the purposes of this Indenture. On or before 11:00 a.m. (Eastern Standard Time) on the Business Day immediately prior to the Maturity Date for Debentures outstanding from time to time under this Indenture, the Corporation will deliver to the Debenture Trustee a certified cheque or wire transfer for deposit in the applicable Maturity Account in an amount sufficient to pay the cash amount payable in respect of such Debentures (including the principal amount together with any accrued and unpaid interest thereon less any tax required by law to be deducted), provided the Corporation may elect to satisfy this requirement by providing the Debenture Trustee with a cheque or wire transfer for such amounts required under this Section 2.14 post-dated to the Maturity Date. The Debenture Trustee, on behalf of the Corporation, will pay to each holder entitled to receive payment of the principal amount and of any accrued and unpaid interest on the Debenture, upon surrender of the Debenture at any branch of the Debenture Trustee designated for such purpose from time to time by the Corporation and the Debenture Trustee. The delivery of such funds to the Debenture Trustee for deposit to the applicable Maturity Account will satisfy and discharge the liability of the Corporation for the Debentures to which the delivery of funds relates to the extent of the amount delivered (plus the amount of any tax deducted as aforesaid) and such Debentures will thereafter to that extent not be considered as outstanding under this Indenture and such

holder will have no other right in regard thereto other than to receive out of the money so delivered or made available the amount to which it is entitled.

- (2) Notwithstanding the procedure outlined in Section 2.14(1) above, Debentureholders shall, subject to applicable regulatory approval, be entitled to elect to convert all or any portion of the principal amount of the Debentures held, directly or indirectly, by them to Common Shares at the Conversion Price prior to the closing of business on the Maturity Date in accordance with Article 3 hereof, and such conversion shall satisfy the obligation of the Corporation to repay the principal amount on the Debentures on the Maturity Date; provided, however, that a partial conversion shall not affect the rights and obligations of the Debentureholders and the Corporation with respect to any Debentures which are not converted.

Section 2.15 Payment of Interest Due on Coupon Dates.

Except as may otherwise be provided herein or in any supplemental indenture in respect of the Debentures, payments of interest amounts due upon each Coupon Date will be made in the following manner. The Corporation will establish and maintain with the Debenture Trustee an Interest Account for the Debentures. Each such Interest Account shall be maintained by and be subject to the control of the Debenture Trustee for the purposes of this Indenture. On or before 11:00 a.m. (Eastern Standard Time) three (3) Business Days immediately prior to the Coupon Date for Debentures outstanding from time to time under this Indenture, the Corporation will deliver to the Debenture Trustee a certified cheque or wire transfer for deposit in the applicable Interest Account in an amount sufficient to pay the cash amount payable in respect of such Debentures (including any accrued and unpaid interest thereon less any tax required by law to be deducted), provided the Corporation may elect to satisfy this requirement by providing the Debenture Trustee with a cheque or wire transfer for such amounts required under this Section 2.15 post-dated to the applicable Coupon Date. The Debenture Trustee, on behalf of the Corporation, will pay to each holder entitled to receive payment of any accrued and unpaid interest on the Debenture on the applicable Coupon Date. The delivery of such funds to the Debenture Trustee for deposit to the applicable Interest Account will satisfy and discharge the liability of the Corporation for the applicable interest due on the Debentures to which the delivery of funds relates to the extent of the amount delivered (plus the amount of any tax deducted as aforesaid) and such holder will have no other right in regard thereto other than to receive out of the money so delivered or made available the amount to which it is entitled.

ARTICLE 3 CONVERSION OF DEBENTURES

Section 3.1 Debenture Conversion.

- (1) The holder of each Debenture shall have the right at such holder's option, prior to the close of business on the Maturity Date, and effective as of the date the Debenture is so converted, to convert any part, being US\$1,000 or an integral multiple thereof, of the principal amount of a Debenture into fully-paid Common Shares at the Conversion Price. In the event that a holder exercises this option, interest payable on such principal amount being converted shall be calculated from, and including, the most recent Coupon Date up

to but excluding the date of conversion. The payment of such interest shall be made in accordance with the procedures specified in Section 2.15.

- (2) Except as provided below, no adjustment in the number of Common Shares to be issued upon conversion will be made for dividends or distributions on Common Shares issuable upon conversion, the record date for the payment of which precedes the date upon which the holder becomes a holder of Common Shares in accordance with Section 3.1, or for interest accrued on Debentures surrendered. Such right of conversion shall extend only to the maximum number of whole Common Shares into which the aggregate principal amount of the Debenture or Debentures surrendered for conversion at any one time by the holder thereof may be converted. No fractional Common Share will be issued, and the number of Common Shares so issuable will be rounded down to the nearest whole number. The Conversion Price applicable to, and the Common Shares, securities or other property receivable on the conversion of, the Debentures is subject to adjustment pursuant to the provisions of Article 4.
- (3) For the purposes of this Article 3, a Debenture surrendered for conversion shall be deemed to be surrendered on the date the Debenture is so converted, provided that the register of the Debenture Trustee is open and in accordance with the provisions of this Indenture or, in the case of a CDS Global Debenture, which the Debenture Trustee received notice of and all necessary documentation in respect of the conversion; provided that if a Debenture is surrendered for conversion on a day on which the register of Common Shares is closed, the person or persons entitled to receive Common Shares shall become the holder or holders of record of such Common Shares as at the date on which such registers are next reopened.
- (4) Within five Business Days after the date the Debenture is deemed to be so converted, the Debenture Trustee shall cause to be delivered or mailed to the person or persons in whose name or names the Debenture is registered or, if so specified in writing by the holder, cause to be delivered to such person or persons at the Debenture Agency where the Debenture was surrendered, a certificate or certificates for the appropriate number of Common Shares converted, or any other appropriate evidence of the issuance of Common Shares to such person or persons in respect of Common Shares issued under the book entry registration system or direct registration system.

Section 3.2 Conversion Notice and Confirmation.

- (1) A beneficial holder of Uncertificated Debentures evidenced by a security entitlement in respect of Debentures in the book entry registration system who desires to convert his or her Debentures must do so by causing a Book Entry Only Participant to deliver to the Depository on behalf of the entitlement holder, notice of the owner's intention to convert Debentures in a manner acceptable to the Depository. Forthwith upon receipt by the Depository of such notice, the Depository shall deliver to the Debenture Trustee confirmation of its intention to convert Debentures ("**Confirmation**") in a manner acceptable to the Debenture Trustee, including by electronic means through the book entry registration system.

- (2) A notice in form acceptable to the Book Entry Only Participant should be provided to the Book Entry Only Participant sufficiently in advance so as to permit the Book Entry Only Participant to deliver notice and payment to the Depository and for the Depository in turn to deliver notice and payment to the Debenture Trustee prior to the Maturity Date. The Depository will initiate the conversion by way of the Confirmation and the Debenture Trustee will execute the conversion by issuing to the Depository through the book entry registration system or as a physical certificate the Common Shares to which the exercising Debentureholder is entitled pursuant to the conversion. Any expense associated with the conversion process will be for the account of the entitlement holder converting the Debenture and the Book Entry Only Participant exercising the Debenture on its behalf.
- (3) By causing a Book Entry Only Participant to deliver notice to the Depository, a Debentureholder shall be deemed to have irrevocably surrendered his or her Debentures so converted and appointed such Book Entry Only Participant to act as his or her exclusive settlement agent with respect to the conversion and the receipt of Common Shares in connection with the obligations arising from such conversion.
- (4) Any notice which the Depository determines to be incomplete, not in proper form or not duly executed shall for all purposes be void and of no effect and the conversion to which it relates shall be considered for all purposes not to have been converted thereby. A failure by a Book Entry Only Participant to convert or to give effect to the settlement thereof in accordance with the Debentureholder's instructions will not give rise to any obligations or liability on the part of the Corporation or Debenture Trustee to the Book Entry Only Participant or the Debentureholder.
- (5) Any Conversion Notice referred to in this Section 3.2 shall be signed by the Registered Debentureholder, or its executors or administrators or other legal representatives or an attorney of the Registered Debentureholder, duly appointed by an instrument in writing satisfactory to the Debenture Trustee but such conversion form need not be executed by the Depository.
- (6) Any conversion referred to in this Section 3.2 shall require that the original Conversion Notice executed by the Registered Debentureholder or the Confirmation from the Depository must be received by the Debenture Trustee prior to the Maturity Date.
- (7) Notwithstanding the foregoing in this Section 3.2, a Debenture may only be converted pursuant to this Section 3.2 by or on behalf of a Registered Debentureholder, except the Depository or Debentureholder, as applicable, who makes the certifications set forth on the Conversion Notice set out in Schedule "B".
- (8) If the form of Conversion Notice set forth in the Debenture Certificate shall have been amended, the Corporation shall cause the amended Conversion Notice to be forwarded to all Registered Debentureholders.
- (9) Conversion Notices and Confirmations must be delivered to the Debenture Trustee at any time during the Debenture Trustee's actual business hours on any Business Day prior to the Maturity Date. Any Conversion Notice or Confirmations received by the Debenture

Trustee after business hours on any Business Day other than the Maturity Date will be deemed to have been received by the Debenture Trustee on the next following Business Day.

- (10) Any Debenture with respect to which a Conversion Notice or a Confirmation is not received by the Debenture Trustee before the Maturity Date shall be deemed to have expired and become void and all rights with respect to such Debentures shall terminate and be cancelled.

Section 3.3 Conversion by U.S. Persons.

- (1) The Debentures issuable pursuant to this Indenture and the Common Shares issuable on the conversion thereof have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state of the United States and are (or will be when issued, as applicable) "restricted securities" within the meaning of Rule 144(a)(3) of the U.S. Securities Act.
- (2) Each Debenture Certificate originally issued in the United States or to, or for the account or benefit of, a person in the United States or a U.S. Person, and all certificates representing Common Shares issued on the conversion thereof, and all certificates issued in exchange or in substitution thereof or upon transfer thereof, shall bear the following legend:

"THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON CONVERSION HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR UNDER ANY STATE SECURITIES LAWS, AND THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON CONVERSION HEREOF MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO MPX INTERNATIONAL CORPORATION (THE "CORPORATION"), (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATIONS UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (i) RULE 144 OR (ii) 144A UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE U.S. STATE SECURITIES LAWS, OR (D) IN COMPLIANCE WITH ANOTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(i) OR (D) ABOVE, A LEGAL OPINION REASONABLY SATISFACTORY TO THE CORPORATION MUST FIRST BE PROVIDED TO THE CORPORATION OR THE CORPORATION'S TRANSFER AGENT, AS APPLICABLE, TO THE EFFECT THAT SUCH TRANSFER IS EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.";

provided that, if any Debentures or Common Shares are being sold in accordance with Rule 904 of Regulation S under the U.S. Securities Act, the legend may be removed by providing to the Corporation and/or the Debenture Trustee and/or the warrant agent or the registrar and transfer agent of the Corporation, as applicable, (i) a declaration in the form attached as Schedule "C" hereof (or as the Corporation may prescribe from time to time) and (ii) if required by the Corporation, an opinion of counsel, of recognized standing reasonably satisfactory to the Corporation, or other evidence reasonably satisfactory to the Corporation, that the proposed transfer may be effected without registration under the U.S. Securities Act; and provided, further, that, if any Debentures or Common Shares are being sold under Rule 144 under the U.S. Securities Act, the legend may be removed by delivering to the Corporation an opinion of counsel of recognized standing reasonably satisfactory to the Corporation that the legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws.

The Debenture Trustee shall be entitled to request any other documents that it may require in accordance with its internal policies for the removal of the legend set forth above.

No transfer of Debentures evidenced by a Debenture Certificate bearing the legend set forth in Section 3.3(2) above shall be made except in accordance with the requirements of such legend and subject to this Indenture.

Section 3.4 Transfer Fees and Taxes.

If any Common Shares are to be issued to a person or persons other than the Registered Debentureholder, the Registered Debentureholder shall execute the form of transfer and will comply with such reasonable requirements as the Debenture Trustee may stipulate and will pay to the Corporation or the Debenture Trustee on behalf of the Corporation, all applicable transfer or similar taxes and the Corporation will not be required to issue or deliver certificates evidencing Common Shares unless or until such Debentureholder shall have paid to the Corporation or the Debenture Trustee on behalf of the Corporation, the amount of such tax or shall have established to the satisfaction of the Corporation and the Debenture Trustee that such tax has been paid or that no tax is due.

Section 3.5 Debenture Agency.

To facilitate the exchange, transfer or conversion of Debentures and compliance with such other terms and conditions hereof as may be required, the Corporation has appointed the Debenture Agency, as the agency at which Debentures may be surrendered for exchange or transfer or at which Debentures may be converted and the Debenture Trustee has accepted such appointment. The Corporation may from time to time designate alternate or additional places as the Debenture Agency (subject to the Debenture Trustee's prior approval) and will give notice to the Debenture Trustee of any proposed change of the Debenture Agency. Branch registers shall also be kept at such other place or places, if any, as the Corporation, with the approval of the Debenture Trustee, may designate. The Debenture Trustee will from time to time when requested to do so by the Corporation or any Registered Debentureholder, upon payment of the Debenture

Trustee's reasonable charges, furnish a list of the names and addresses of Registered Debentureholders showing the number of Debentures held by each such Registered Debentureholder.

Section 3.6 Securities Restrictions.

Notwithstanding anything herein contained, Common Shares will be issued upon conversion of a Debenture only in compliance with the securities laws of any applicable jurisdiction and, without limiting the generality of the foregoing, the Corporation will legend the certificates representing the Common Shares if, in the opinion of Counsel, such legend is necessary in order to comply with the securities law of any applicable jurisdiction or the rules of any applicable stock exchange. Notwithstanding any other provisions of this Indenture, in processing and registering transfers of Debentures, and in processing conversions of Debentures, no duty or responsibility whatsoever shall rest upon the Debenture Trustee to determine the compliance by any transferor or transferee or by a holder converting Debentures with the terms of any legend affixed on the Debenture certificates, or with the relevant securities laws or regulations, including, without limitation, Regulation S under the U.S. Securities Act, and the Debenture Trustee shall be entitled to assume that all transfers and conversions of Debentures are legal and proper.

ARTICLE 4

ADJUSTMENT OF NUMBER OF COMMON SHARES AND CONVERSION PRICE

Section 4.1 Adjustment of Number of Common Shares and Conversion Price.

The conversion rights in effect under the Debentures for Common Shares issuable upon the conversion of the Debentures shall be subject to adjustment from time to time as follows:

- (a) if, at any time prior to the Maturity Date, the Corporation shall:
 - (i) subdivide, re-divide or change its outstanding Common Shares into a greater number of Common Shares;
 - (ii) reduce, combine or consolidate its outstanding Common Shares into a smaller number of Common Shares; or
 - (iii) issue Common Shares or securities exchangeable for, or convertible into, Common Shares to all or substantially all of the holders of Common Shares by way of distribution (other than a distribution of Common Shares upon the conversion of the Debentures or exercise of Warrants or any outstanding options);

the Conversion Price in effect on the effective date of such subdivision, re-division, change, reduction, combination, consolidation or on the record date of such distribution, as the case may be, shall in the case of the events referred to in (i) or (iii) above be decreased in proportion to the number of outstanding Common Shares resulting from such subdivision, re-division, change or distribution, or shall, in the case of the events referred to in (ii) above, be increased in proportion to the number of outstanding Common

Shares resulting from such reduction, combination or consolidation. Such adjustment shall be made successively whenever any event referred to in this Section 4.1(a) shall occur. Upon any adjustment of the Conversion Price pursuant to Section 4.1(a), the Conversion Price shall be contemporaneously adjusted by multiplying the number of Common Shares theretofore obtainable on the exercise thereof by a fraction of which the numerator shall be the Conversion Price in effect immediately prior to such adjustment and the denominator shall be the Conversion Price resulting from such adjustment;

- (b) if and whenever at any time prior to the Maturity Date, the Corporation shall fix a record date for the issuance of rights, options or warrants to all or substantially all the holders of its outstanding Common Shares entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Common Shares (or securities convertible or exchangeable into Common Shares) at a price per Common Share (or having a conversion or exchange price per Common Share) less than 95% of the Current Market Price on such record date (a "**Rights Offering**"), the Conversion Price shall be adjusted immediately after such record date so that it shall equal the amount determined by multiplying the Conversion Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date plus a number of Common Shares equal to the number arrived at by dividing the aggregate price of the total number of additional Common Shares offered for subscription or purchase (or the aggregate conversion or exchange price of the convertible or exchangeable securities so offered) by such Current Market Price, and of which the denominator shall be the total number of Common Shares outstanding on such record date plus the total number of additional Common Shares offered for subscription or purchase or into which the convertible or exchangeable securities so offered are convertible or exchangeable; any Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation; such adjustment shall be made successively whenever such a record date is fixed; to the extent that no such rights or warrants are exercised prior to the expiration thereof, the Conversion Price shall be readjusted to the Conversion Price which would then be in effect if such record date had not been fixed or, if any such rights or warrants are exercised, to the Conversion Price which would then be in effect based upon the number of Common Shares (or securities convertible or exchangeable into Common Shares) actually issued upon the exercise of such rights or warrants, as the case may be. Upon any adjustment of the Conversion Price pursuant to this Section 4.1(b), the Conversion Price will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Conversion Price in effect on such record date by a fraction, of which the numerator shall be the Conversion Price in effect immediately prior to such adjustment and the denominator shall be the Conversion Price resulting from such adjustment. Such adjustment will be made successively whenever such a record date is fixed, provided that if two or more such record dates or record dates referred to in this Section 4.1(b) are fixed within a period of 25 Trading Days, such adjustment will

be made successively as if each of such record dates occurred on the earliest of such record dates;

- (c) if and whenever at any time prior to the Maturity Date the Corporation shall fix a record date for the making of a distribution to all or substantially all the holders of its outstanding Common Shares of (i) securities of any class, whether of the Corporation or any other entity (other than Common Shares), (ii) rights, options or warrants to subscribe for or purchase Common Shares (or other securities convertible into or exchangeable for Common Shares), other than pursuant to a Rights Offering; (iii) evidences of its indebtedness or (iv) any property or other assets then, in each such case, the Conversion Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Conversion Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date multiplied by the Current Market Price on such record date, less the excess, if any, of the fair market value on such record date, as determined by the Corporation (whose determination shall be conclusive), of such securities or other assets so issued or distributed over the fair market value of any consideration received therefor by the Corporation from the holders of the Common Shares, and of which the denominator shall be the total number of Common Shares outstanding on such record date multiplied by such Current Market Price; and Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation; such adjustment shall be made successively whenever such a record date is fixed; to the extent that such distribution is not so made, the Conversion Price shall be readjusted to the Conversion Price which would then be in effect if such record date had not been fixed. Upon any adjustment of the Conversion Price pursuant to this Section 4.1(c), the Conversion Price will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Conversion Price in effect on such record date by a fraction, of which the numerator shall be the Conversion Price in effect immediately prior to such adjustment and the denominator shall be the Conversion Price resulting from such adjustment;
- (d) if and whenever at any time prior to the Maturity Date, there is a reclassification of the Common Shares or a capital reorganization of the Corporation other than as described in Section 4.1(a) or a consolidation, amalgamation, arrangement or merger of the Corporation with or into any other body corporate, trust, partnership or other entity, or a sale or conveyance of the property and assets of the Corporation as an entirety or substantially as an entirety to any other body corporate, trust, partnership or other entity, any Registered Debentureholder who has not exercised its right of acquisition prior to the effective date of such reclassification, capital reorganization, consolidation, amalgamation, arrangement or merger, sale or conveyance, upon the exercise of such right thereafter, shall be entitled to receive and shall accept, in lieu of the number of Common Shares that prior to such effective date the Registered Debentureholder would have been entitled to receive, the number of shares or other securities or property of the

Corporation or of the body corporate, trust, partnership or other entity resulting from such merger, amalgamation or consolidation, or to which such sale or conveyance may be made, as the case may be, that such Registered Debentureholder would have been entitled to receive on such reclassification, capital reorganization, consolidation, amalgamation, arrangement or merger, sale or conveyance, if, on the effective date thereof, as the case may be, the Registered Debentureholder had been the registered holder of the number of Common Shares to which prior to such effective date it was entitled to acquire upon the conversion of the Debentures. If determined appropriate by the Debenture Trustee, relying on advice of Counsel, to give effect to or to evidence the provisions of this Section 4.1(d), the Corporation, its successor, or such purchasing body corporate, partnership, trust or other entity, as the case may be, shall, prior to or contemporaneously with any such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, sale or conveyance, enter into an indenture which shall provide, to the extent possible, for the application of the provisions set forth in this Indenture with respect to the rights and interests thereafter of the Registered Debentureholders to the end that the provisions set forth in this Indenture shall thereafter correspondingly be made applicable, as nearly as may reasonably be, with respect to any shares, other securities or property to which a Registered Debentureholder is entitled on the exercise of its acquisition rights thereafter. Any indenture entered into between the Corporation and the Debenture Trustee pursuant to the provisions of this Section 4.1(d) shall be a supplemental indenture entered into pursuant to the provisions of Article 8 hereof. Any indenture entered into between the Corporation, any successor to the Corporation or such purchasing body corporate, partnership, trust or other entity and the Debenture Trustee shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided in this Section 4.1(d) and which shall apply to successive reclassifications, capital reorganizations, amalgamations, consolidations, mergers, sales or conveyances;

- (e) in any case in which Section 4.1 shall require that an adjustment shall become effective immediately after a record date for an event referred to herein, the Corporation may defer, until the occurrence of such event, issuing to the Registered Debentureholder of any Debenture converted after such event the additional Common Shares issuable upon such conversion by reason of the adjustment required by such event before giving effect to such adjustment; provided, however, that the Corporation shall deliver to such Registered Debentureholder an appropriate instrument evidencing such Registered Debentureholder's right to receive such additional Common Shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional Common Shares declared in favour of holders of record of Common Shares on and after the relevant date of conversion or such later date as such Registered Debentureholder would, but for the provisions of Section 4.1, have become the holder of record of such additional Common Shares pursuant to Section 4.1;

- (f) in any case in which Section 4.1(a)(iii), Section 4.1(b) or Section 4.1(c) require that an adjustment be made to the Conversion Price, no such adjustment shall be made if the Registered Debentureholders of the outstanding Debentures receive, subject to the approval of the then applicable Exchange if required, the rights or warrants referred to in Section 4.1(a)(iii), Section 4.1(b) or the shares, rights, options, warrants, evidences of indebtedness or assets referred to in Section 4.1(c), as the case may be, in such kind and number as they would have received if they had been holders of Common Shares on the applicable record date or effective date, as the case may be, by virtue of their outstanding Debenture having then been converted into Common Shares at the Conversion Price in effect on the applicable record date or effective date, as the case may be;
- (g) the adjustments provided for in this Section 4.1 are cumulative, and shall, in the case of adjustments to the Conversion Price be computed to the nearest whole cent and shall apply to successive subdivisions, re-divisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this Section 4.1, provided that, notwithstanding any other provision of this Section 4.1, no adjustment of the Conversion Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Conversion Price then in effect; provided, however, that any adjustments which by reason of this Section 4.1(g) are not required to be made shall be carried forward and taken into account in any subsequent adjustment; and
- (h) after any adjustment pursuant to this Section 4.1, the term “**Common Shares**” where used in this Indenture shall be interpreted to mean securities of any class or classes which, as a result of such adjustment and all prior adjustments pursuant to this Section 4.1, the Registered Debentureholder is entitled to receive upon the conversion of his Debenture, and the number of Common Shares indicated by any conversion made pursuant to a Debenture shall be interpreted to mean the number of Common Shares or other property or securities a Registered Debentureholder is entitled to receive, as a result of such adjustment and all prior adjustments pursuant to this Section 4.1, upon the full or partial conversion of a Debenture.

Section 4.2 Entitlement to Common Shares on Conversion of Debentures.

All Common Shares or shares of any class or other securities, which a Registered Debentureholder is at the time in question entitled to receive on the conversion of its Debenture, whether or not as a result of adjustments made pursuant to this Article 4, shall, for the purposes of the interpretation of this Indenture, be deemed to be Common Shares which such Registered Debentureholder is entitled to acquire pursuant to such Debenture.

Section 4.3 No Adjustment for Certain Transactions.

Notwithstanding anything in this Article 4, no adjustment shall be made in the acquisition rights attached to the Debentures if the issue of Common Shares is being made pursuant to this Indenture or in connection with (a) any share incentive plan or restricted share plan or share purchase plan in force from time to time for directors, officers, employees, consultants or other

service providers of the Corporation; provided that if such issue of Common Shares exceeds ten percent (10%) of the then issued and outstanding Common Shares, at the time of such issuance, an adjustment shall be made for such excess shares; or (b) the satisfaction of existing instruments issued at the date hereof; (c) payment of dividends in the ordinary course; or (d) the issuance of Common Shares for consideration pursuant to transactions in the ordinary course at a price per Common Share equal to a price no less than the price calculated using the maximum discount then permitted by the then applicable Exchange.

Section 4.4 Determination by Auditors.

In the event of any question arising with respect to the adjustments provided for in this Article 4 such question shall be conclusively determined by an independent firm of chartered accountants, chosen by Corporation, other than the auditors of the Corporation, who shall have access to all necessary records of the Corporation, and such determination shall be binding upon the Corporation, the Debenture Trustee, all holders and all other persons interested therein.

Section 4.5 Proceedings Prior to any Action Requiring Adjustment.

As a condition precedent to the taking of any action which would require an adjustment in any of the acquisition rights pursuant to any of the Debentures, including the number of Common Shares which are to be received upon the conversion thereof, the Corporation shall take any action which may, in the opinion of Counsel, be necessary in order that the Corporation has unissued and reserved in its authorized capital and may validly and legally issue as fully paid and non-assessable all the Common Shares which the holders of such Debentures are entitled to receive on the conversion thereof in accordance with the provisions hereof.

Section 4.6 Certificate of Adjustment.

The Corporation shall from time to time immediately after the occurrence of any event which requires an adjustment or readjustment as provided in this Article 4, deliver a certificate of the Corporation to the Debenture Trustee specifying the nature of the event requiring the same and the amount of the adjustment or readjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based, which certificate shall be supported by a certificate of the Corporation's auditors verifying such calculation. The Debenture Trustee shall rely, and shall be protected in so doing, upon the certificate of the Corporation or of the Corporation's auditor and any other document filed by the Corporation pursuant to this Article 4 for all purposes.

Section 4.7 Notice of Special Matters.

The Corporation covenants with the Debenture Trustee that, so long as any Debentures remain outstanding, it will give notice to the Debenture Trustee and to the Registered Debentureholders of its intention to fix a record date that is prior to the Maturity Date for any matter for which an adjustment may be required pursuant to Section 4.1. Such notice shall specify the particulars of such event and the record date for such event, provided that the Corporation shall only be required to specify in the notice such particulars of the event as shall have been fixed and determined on the date on which the notice is given. The notice shall be given in each case

not less than 14 days prior to such applicable record date. If notice has been given and the adjustment is not then determinable, the Corporation shall promptly, after the adjustment is determinable, file with the Debenture Trustee a computation of the adjustment and give notice to the Registered Debentureholders of such adjustment computation.

Section 4.8 No Action After Notice

The Corporation covenants with the Debenture Trustee that it will not close its transfer books or take any other corporate action which might deprive the Registered Debentureholder of the opportunity to exercise its right of acquisition pursuant thereto during the period of 14 days after the giving of the certificate or notices set forth in Section 4.6 and Section 4.7.

Section 4.9 Protection of Debenture Trustee.

The Debenture Trustee shall not:

- (a) at any time be under any duty or responsibility to any Registered Debentureholder to determine whether any facts exist which may require any adjustment contemplated by Section 4.1, or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed in making the same;
- (b) be accountable with respect to the validity or value (or the kind or amount) of any Common Shares or of any other securities or property which may at any time be issued or delivered upon the exercise of the rights attaching to any Debenture; and
- (c) incur any liability or be in any way responsible for the consequences of any breach on the part of the Corporation of any of the representations, warranties or covenants herein contained or of any acts of the directors, officers, employees, agents or servants of the Corporation.

Section 4.10 Other Adjustments.

If the Corporation after the date hereof shall take any action affecting the Common Shares, other than an action described in this Article 4 which, in the opinion of the directors of the Corporation, would have a material adverse effect on the rights of Registered Debentureholders, or the Conversion Price, there shall be an adjustment in such manner, if any, and at such time, by action of the directors, acting reasonably and in good faith, as they may reasonably determine to be equitable to the Registered Debentureholders in such circumstances, provided that no such adjustment will be made unless prior approval of any stock exchange on which the Common Shares are listed for trading, if any, has been obtained.

Section 4.11 Participation by Debentureholder.

No adjustments shall be made pursuant to this Article 4 if the Registered Debentureholders are entitled to participate in any event described in this Article 4 on the same terms, *mutatis mutandis*, as if the Registered Debentureholders had converted their Debentures prior to, or on the effective date or record date of, such event.

**ARTICLE 5
SECURITY FOR DEBENTURES**

Section 5.1 Guarantee and Security Documents.

The Corporation shall execute and deliver, or cause to be executed and delivered, to the Trustee for the benefit of the Trustee and the Debentureholders, the Guarantees and the Security Documents.

Section 5.2 Registration of Security.

The Corporation shall, at the Corporation's expense, ensure that the Security Documents and all documents, security notices, financing statements and financing change statements in respect thereof, are promptly filed and re-filed and registered as often as may be required by applicable law or as may be necessary or desirable to perfect and preserve the Security Interest created by the Security Documents and to ensure that such Security Interest is first ranking, subject only to Permitted Liens, and will promptly provide the Trustee with evidence (satisfactory to the Trustee) of such filing, registration and deposit after the making thereof.

Section 5.3 Subordination to Security Interest.

The Corporation hereby grants to the Trustee, for the benefit of the Trustee and the Debentureholders, priority over any interest, lien, claim, encumbrance, mortgage, charge, or security interest that the Corporation may now or hereafter have in or to the Secured Assets such that the Security Interest shall have a prior claim to the Secured Assets. The Corporation hereby postpones all its right, title and interest in and to the Secured Assets with and to the intent that the interest of the Corporation therein and thereto shall be subordinate to and shall rank subsequent and subject in all respects to the rights of the Trustee (for itself and for the Debentureholders) in and to the Secured Assets. The priorities and postponements granted herein shall be effective notwithstanding the respective dates of crystallization of any security, the priorities or rights that might otherwise apply at law or by virtue of the respective dates or times of execution, registration, attachment, perfection, default or enforcement of the respective security or any notice or filing with respect thereto, any priority granted by any principle of law or any statute, including any legislation dealing with personal property security, and the order of any bankruptcy court having jurisdiction over the Corporation or the Secured Assets.

**ARTICLE 6
ENFORCEMENT**

Section 6.1 Suits by Registered Debentureholders.

All or any of the rights conferred upon any Registered Debentureholder by any of the terms of this Indenture may be enforced by the Registered Debentureholder by appropriate proceedings but without prejudice to the right which is hereby conferred upon the Debenture Trustee to proceed in its own name to enforce each and all of the provisions herein contained for the benefit of the Registered Debentureholders.

Section 6.2 Immunity of Shareholders, etc.

The Debenture Trustee and the Debentureholders hereby waive and release any right, cause of action or remedy now or hereafter existing in any jurisdiction against any incorporator or any past, present or future shareholder, trustee, employee or agent of the Corporation or any successor Corporation on any covenant, agreement, representation or warranty by the Corporation herein.

Section 6.3 Waiver of Default.

(1) Upon the happening of any default hereunder:

- (a) the Registered Debentureholders of not less than 60% of the Debentures then outstanding shall have power (in addition to the powers exercisable by Extraordinary Resolution) by requisition in writing to instruct the Debenture Trustee to waive any default hereunder and the Debenture Trustee shall thereupon waive the default upon such terms and conditions as shall be prescribed in such requisition; or
- (b) the Debenture Trustee shall have power to waive any default hereunder upon such terms and conditions as the Debenture Trustee may deem advisable, on the advice of Counsel, if, in the Debenture Trustee's opinion, based on the advice of Counsel, the same shall have been cured or adequate provision made therefore;

provided that no delay or omission of the Debenture Trustee or of the Registered Debentureholders to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein and provided further that no act or omission either of the Debenture Trustee or of the Registered Debentureholders in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent default hereunder of the rights resulting therefrom.

**ARTICLE 7
MEETINGS OF REGISTERED DEBENTUREHOLDERS**

Section 7.1 Right to Convene Meetings.

The Debenture Trustee may at any time and from time to time, and shall on receipt of a written request of the Corporation or of a Debentureholders' Request and upon being indemnified and funded to its reasonable satisfaction by the Corporation or by the Registered Debentureholders signing such Debentureholders' Request against the costs which may be incurred in connection with the calling and holding of such meeting, convene a meeting of the Registered Debentureholders. If the Debenture Trustee fails to so call a meeting within seven days after receipt of such written request of the Corporation or such Debentureholders' Request and the indemnity and funding given as aforesaid, the Corporation or such Registered Debentureholders, as the case may be, may convene such meeting. Every such meeting shall be

held in the city of Toronto or at such other place or by such other means as may be approved or determined by the Debenture Trustee.

Section 7.2 Notice.

At least 21 days' prior written notice of any meeting of Registered Debentureholders shall be given to the Registered Debentureholders in the manner provided for in Section 12.3 and a copy of such notice shall be sent by mail to the Debenture Trustee (unless the meeting has been called by the Debenture Trustee) and to the Corporation (unless the meeting has been called by the Corporation). Such notice shall state the time when and the place where the meeting is to be held, shall state briefly the general nature of the business to be transacted thereat and shall contain such information as is reasonably necessary to enable the Registered Debentureholders to make a reasoned decision on the matter, but it shall not be necessary for any such notice to set out the terms of any resolution to be proposed or any of the provisions of this Section 7.2.

Section 7.3 Chairperson.

An individual (who need not be a Registered Debentureholder) designated in writing by the Debenture Trustee shall be chairman of the meeting and if no individual is so designated, or if the individual so designated is not present within fifteen minutes from the time fixed for the holding of the meeting, the Registered Debentureholders present in person or by proxy shall choose an individual present to be chairperson.

Section 7.4 Quorum.

Subject to the provisions of Section 7.11, at any meeting of the Registered Debentureholders a quorum shall consist of at least two Registered Debentureholders present in person or by proxy and holding at least 50% of the aggregate principal amount of the then outstanding Debentures. If a quorum of the Registered Debentureholders shall not be present within thirty minutes from the time fixed for holding any meeting, the meeting, if summoned by Registered Debentureholders or on a Debentureholders' Request, shall be dissolved; but in any other case the meeting shall be adjourned to the same day in the next week (unless such day is not a Business Day, in which case it shall be adjourned to the next following Business Day) at the same time and place and no notice of the adjournment need be given. Any business may be brought before or dealt with at an adjourned meeting which might have been dealt with at the original meeting in accordance with the notice calling the same. No business shall be transacted at any meeting unless a quorum is present at the commencement of business. At the adjourned meeting the Registered Debentureholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened, notwithstanding that they may not hold at least 50% of the aggregate principal amount of the Debentures.

Section 7.5 Power to Adjourn.

The chairman of any meeting at which a quorum of the Registered Debentureholders is present may, with the consent of the meeting, adjourn any such meeting, and no notice of such adjournment need be given except such notice, if any, as the meeting may prescribe.

Section 7.6 Show of Hands.

Every question submitted to a meeting shall be decided in the first place by a majority of the votes given on a show of hands except that votes on an Extraordinary Resolution shall be given in the manner hereinafter provided. At any such meeting, unless a poll is duly demanded as herein provided, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.

Section 7.7 Poll and Voting.

- (1) On every Extraordinary Resolution, and on any other question submitted to a meeting and after a vote by show of hands when demanded by the chairman or by one or more of the Registered Debentureholders acting in person or by proxy and holding in the aggregate at least 5% of the aggregate principal amount of Debentures then outstanding, a poll shall be taken in such manner as the chairman shall direct. Questions other than those required to be determined by Extraordinary Resolution shall be decided by a majority of the votes cast on the poll.
- (2) On a show of hands, every person who is present and entitled to vote, whether as a Registered Debentureholder or as proxy for one or more absent Registered Debentureholders, or both, shall have one vote. On a poll, each Registered Debentureholder present in person or represented by a proxy duly appointed by instrument in writing shall be entitled to one vote in respect of each Debenture then held or represented by it. A proxy need not be a Registered Debentureholder. The chairman of any meeting shall be entitled, both on a show of hands and on a poll, to vote in respect of the Debentures, if any, held or represented by him.

Section 7.8 Regulations.

- (1) The Debenture Trustee, or the Corporation with the approval of the Debenture Trustee, may from time to time make and from time to time vary such regulations as it shall think fit for:
 - (a) the setting of the record date for a meeting for the purpose of determining Registered Debentureholders entitled to receive notice of and to vote at the meeting;
 - (b) the issue of voting certificates by any bank, trust company or other depository satisfactory to the Debenture Trustee stating that the Debenture Certificates specified therein have been deposited with it by a named person and will remain on deposit until after the meeting, which voting certificate shall entitle the persons named therein to be present and vote at any such meeting and at any adjournment thereof or to appoint a proxy or proxies to represent them and vote for them at any such meeting and at any adjournment thereof in the same manner and with the same effect as though the persons so named in such voting certificates were the actual bearers of the Debenture Certificates specified therein;

- (c) the deposit of voting certificates and instruments appointing proxies at such place and time as the Debenture Trustee, the Corporation or the Registered Debentureholders convening the meeting, as the case may be, may in the notice convening the meeting direct;
 - (d) the deposit of voting certificates and instruments appointing proxies at some approved place or places other than the place at which the meeting is to be held and enabling particulars of such instruments appointing proxies to be mailed or telecopied before the meeting to the Corporation or to the Debenture Trustee at the place where the same is to be held and for the voting of proxies so deposited as though the instruments themselves were produced at the meeting;
 - (e) the form of the instrument of proxy; and
 - (f) generally for the calling of meetings of Registered Debentureholders and the conduct of business thereat.
- (2) Any regulations so made shall be binding and effective and the votes given in accordance therewith shall be valid and shall be counted. Save as such regulations may provide, the only persons who shall be recognized at any meeting as a Registered Debentureholder, or be entitled to vote or be present at the meeting in respect thereof (subject to Section 7.9), shall be Registered Debentureholders or duly appointed proxies of Registered Debentureholders.

Section 7.9 Corporation and Debenture Trustee May be Represented.

The Corporation and the Debenture Trustee, by their respective directors, officers, agents, and employees and counsel, may attend any meeting of the Registered Debentureholders.

Section 7.10 Powers Exercisable by Extraordinary Resolution.

- (1) In addition to all other powers conferred upon them by any other provisions of this Indenture or by law, the Registered Debentureholders at a meeting shall, subject to the provisions of Section 7.11, have the power exercisable from time to time by Extraordinary Resolution:
- (a) to agree to any modification, abrogation, alteration, compromise or arrangement of the rights of Registered Debentureholders or the Debenture Trustee in its capacity as debenture trustee hereunder (subject to the Debenture Trustee's prior consent, acting reasonably) or on behalf of the Registered Debentureholders against the Corporation whether such rights arise under this Indenture or otherwise;
 - (b) to amend, alter or repeal any Extraordinary Resolution previously passed or sanctioned by the Registered Debentureholders;
 - (c) to direct or to authorize the Debenture Trustee, subject to Section 10.4 hereof, to enforce any of the covenants on the part of the Corporation contained in this

Indenture or to enforce any of the rights of the Registered Debentureholders in any manner specified in such Extraordinary Resolution or to refrain from enforcing any such covenant or right;

- (d) to waive, and to direct the Debenture Trustee to waive, any default on the part of the Corporation in complying with any provisions of this Indenture either unconditionally or upon any conditions specified in such Extraordinary Resolution;
- (e) to restrain any Registered Debentureholder from taking or instituting any suit, action or proceeding against the Corporation for the enforcement of any of the covenants on the part of the Corporation in this Indenture or to enforce any of the rights of the Registered Debentureholders;
- (f) to direct any Registered Debentureholder who, as such, has brought any suit, action or proceeding to stay or to discontinue or otherwise to deal with the same upon payment of the costs, charges and expenses reasonably and properly incurred by such Registered Debentureholder in connection therewith;
- (g) to assent to any change in or omission from the provisions contained in this Indenture or any ancillary or supplemental instrument which may be agreed to by the Corporation, and to authorize the Debenture Trustee to concur in and execute any ancillary or supplemental indenture embodying the change or omission;
- (h) with the consent of the Corporation, such consent not to be unreasonably withheld, to remove the Debenture Trustee or its successor in office and to appoint a new debenture trustee or debenture trustees to take the place of the Debenture Trustee so removed; and
- (i) to assent to any compromise or arrangement with any creditor or creditors or any class or classes of creditors, whether secured or otherwise, and with holders of any shares or other securities of the Corporation.

Section 7.11 Meaning of Extraordinary Resolution.

- (1) The expression “**Extraordinary Resolution**” when used in this Indenture means, subject as hereinafter provided in this Section 7.11 and in Section 7.14, a resolution proposed at a meeting of Registered Debentureholders duly convened for that purpose and held in accordance with the provisions of this Article 7 at which there are present in person or by proxy Registered Debentureholders holding at least 50% of the aggregate principal amount of the Debentures then outstanding and passed by the affirmative votes of Registered Debentureholders holding not less than 60% of the aggregate principal amount of the Debentures then outstanding and voted on the poll upon such resolution.
- (2) If, at the meeting at which an Extraordinary Resolution is to be considered, Registered Debentureholders holding at least 25% of the aggregate principal amount of Debentures then outstanding are not present in person or by proxy within 30 minutes after the time

appointed for the meeting, then the meeting, if convened by Registered Debentureholders or on a Debentureholders' Request, shall be dissolved; but in any other case it shall stand adjourned to such day, being not less than 15 or more than 60 days later, and to such place and time as may be appointed by the chairman. Not less than 14 days' prior notice shall be given of the time and place of such adjourned meeting in the manner provided for in Section 12.3. Such notice shall state that at the adjourned meeting the Registered Debentureholders present in person or by proxy shall form a quorum but it shall not be necessary to set forth the purposes for which the meeting was originally called or any other particulars. At the adjourned meeting the Registered Debentureholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened and a resolution proposed at such adjourned meeting and passed by the requisite vote as provided in Section 7.11(1) shall be an Extraordinary Resolution within the meaning of this Indenture notwithstanding that Registered Debentureholders holding at least 60% of the then outstanding Debentures are not present in person or by proxy at such adjourned meeting.

- (3) Subject to Section 7.14, votes on an Extraordinary Resolution shall always be given on a poll and no demand for a poll on an Extraordinary Resolution shall be necessary.

Section 7.12 Powers Cumulative.

Any one or more of the powers or any combination of the powers in this Indenture stated to be exercisable by the Registered Debentureholders by Extraordinary Resolution or otherwise may be exercised from time to time and the exercise of any one or more of such powers or any combination of powers from time to time shall not be deemed to exhaust the right of the Registered Debentureholders to exercise such power or powers or combination of powers then or thereafter from time to time.

Section 7.13 Minutes.

Minutes of all resolutions and proceedings at every meeting of Registered Debentureholders shall be made and duly entered in books to be provided from time to time for that purpose by the Debenture Trustee at the expense of the Corporation, and any such minutes as aforesaid, if signed by the chairman or the secretary of the meeting at which such resolutions were passed or proceedings had shall be prima facie evidence of the matters therein stated and, until the contrary is proved, every such meeting in respect of the proceedings of which minutes shall have been made shall be deemed to have been duly convened and held, and all resolutions passed thereat or proceedings taken shall be deemed to have been duly passed and taken.

Section 7.14 Instruments in Writing.

All actions which may be taken and all powers that may be exercised by the Registered Debentureholders at a meeting held as provided in this Article 7 may also be taken and exercised by Registered Debentureholders holding at least 60% of the aggregate principal amount of Debentures then outstanding by an instrument in writing signed in one or more counterparts by such Registered Debentureholders in person or by attorney duly appointed in writing, and the

expression “**Extraordinary Resolution**” when used in this Indenture shall include an instrument so signed.

Section 7.15 Binding Effect of Resolutions.

Every resolution and every Extraordinary Resolution passed in accordance with the provisions of this Article 7 at a meeting of Registered Debentureholders shall be binding upon all the Debentureholders, whether present at or absent from such meeting, and every instrument in writing signed by Registered Debentureholders in accordance with Section 7.14 shall be binding upon all the Debentureholders, whether signatories thereto or not, and each and every Debentureholder and the Debenture Trustee (subject to the provisions for indemnity herein contained) shall be bound to give effect accordingly to every such resolution and instrument in writing.

**ARTICLE 8
SUPPLEMENTAL INDENTURES**

Section 8.1 Provision for Supplemental Indentures for Certain Purposes.

- (1) From time to time, the Corporation (when authorized by action of the directors) and the Debenture Trustee may, subject to the provisions hereof and when so directed in accordance with the provisions hereof, execute and deliver by their proper officers, indentures or instruments supplemental hereto, which thereafter shall form part hereof, for any one or more or all of the following purposes:
 - (a) setting forth any adjustments resulting from the application of the provisions of Article 4;
 - (b) adding to the provisions hereof such additional covenants and enforcement provisions as, in the opinion of Counsel, are necessary or advisable in the premises, provided that the same are not in the opinion of the Debenture Trustee, relying on the advice of Counsel, prejudicial to the interests of the Registered Debentureholders;
 - (c) giving effect to any Extraordinary Resolution passed as provided in Section 7.11;
 - (d) making such provisions not inconsistent with this Indenture as may be necessary or desirable with respect to matters or questions arising hereunder or for the purpose of obtaining a listing or quotation of the Debentures on any stock exchange, provided that such provisions are not, in the opinion of the Debenture Trustee, relying on the advice of Counsel, prejudicial to the interests of the Registered Debentureholders;
 - (e) adding to or altering the provisions hereof in respect of the transfer of Debenture, making provision for the exchange of Debentures, and making any modification in the form of the Debenture Certificates which does not affect the substance thereof;

- (f) modifying any of the provisions of this Indenture, including relieving the Corporation from any of the obligations, conditions or restrictions herein contained, provided that such modification or relief shall be or become operative or effective only if, in the opinion of the Debenture Trustee, relying on the advice of Counsel, such modification or relief in no way prejudices any of the rights of the Registered Debentureholders or of the Debenture Trustee, and provided further that the Debenture Trustee may in its sole discretion decline to enter into any such supplemental indenture which in its opinion may not afford adequate protection to the Debenture Trustee when the same shall become operative; and
- (g) for any other purpose not inconsistent with the terms of this Indenture, including the correction or rectification of any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions herein, provided that in the opinion of the Debenture Trustee, relying on the advice of Counsel, the rights of the Debenture Trustee and of the Registered Debentureholders are in no way prejudiced thereby.

Section 8.2 Successor Entities.

In the case of the consolidation, amalgamation, arrangement, merger or transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to or with another entity ("**successor entity**"), the successor entity resulting from such consolidation, amalgamation, arrangement, merger or transfer (if not the Corporation) shall expressly assume, by supplemental indenture satisfactory in form to the Debenture Trustee and executed and delivered to the Debenture Trustee, the due and punctual performance and observance of each and every covenant and condition of this Indenture to be performed and observed by the Corporation.

ARTICLE 9 COVENANTS OF THE CORPORATION

The Corporation hereby covenants and agrees with the Debenture Trustee for the benefit of the Trustee and the Debentureholders, that so long as any Debentures remain outstanding:

Section 9.1 To Pay Principal and Interest.

The Corporation will duly and punctually pay or cause to be paid to every Debentureholder the principal of and interest accrued on the Debentures of which it is the holder on the dates, at the places and in the manner mentioned herein and in the Debentures.

Section 9.2 Debenture Trustee Compensation.

The Corporation shall pay to the Debenture Trustee, from time to time, compensation for its services hereunder as agreed separately by the Corporation and the Debenture Trustee, and shall pay or reimburse the Debenture Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Debenture Trustee in the administration or execution of its duties under this Indenture (including the reasonable and documented

compensation and disbursements of its Counsel and all other advisers and assistants not regularly in its employ), both before any default hereunder and thereafter until all duties of the Debenture Trustee under this Indenture shall be finally and fully performed. The Debenture Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust.

Section 9.3 To Give Notice of Default.

The Corporation shall notify the Debenture Trustee immediately upon obtaining knowledge of any Event of Default hereunder.

Section 9.4 Preservation of Existence, etc.

Subject to the express provisions hereof, the Corporation will carry on and conduct its activities in a business-like manner and in accordance with good business practices, and, subject to the express provisions hereof, it will do or cause to be done all things necessary to preserve and keep in full force and effect its existence and rights.

Section 9.5 Keeping of Books.

The Corporation will keep or cause to be kept proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Corporation in accordance with generally accepted accounting principles.

Section 9.6 Performance of Covenants by Trustee.

If the Corporation shall fail to perform any of its covenants contained in this Indenture, the Debenture Trustee may notify the Debentureholders of such failure on the part of the Corporation or may itself perform any of the covenants capable of being performed by it, but shall be under no obligation to do so or to notify the Debentureholders. All sums so expended or advanced by the Debenture Trustee shall be repayable as provided in Section 9.2. No such performance, expenditure or advance by the Debenture Trustee shall be deemed to relieve the Corporation of any default hereunder.

Section 9.7 No Cash Dividends on Common Shares.

The Corporation shall not declare or pay any cash dividend to the holders of its issued and outstanding Common Shares until the entire principal amount of the debentures has been repaid or converted into Common Shares and any interest then accrued and outstanding has been paid.

Section 9.8 Use of Proceeds.

The Corporation will use the proceeds of the Debentures to develop, package and market smokable product for Switzerland and the European market, develop an extraction lab in Switzerland for the production of oil products, develop retail facilities in Canada subject to conditions described under Section 9.10 below and for general corporate and working capital purposes.

Section 9.9 Positive EBITDA.

The Corporation shall achieve positive EBITDA of no less than C\$350,000 for each quarter commencing with the quarter ended December 31, 2020.

Section 9.10 Acquisition of Uncle Sam's.

The Corporation shall not complete the acquisition of all or substantially all of the assets of Uncle Sam's without either: (A) (i) completion of a satisfactory due diligence by representatives appointed by Debentureholders holding at least 50% of the aggregate principal amount of Debentures then outstanding; and (ii) the purchase price for the assets being made of 50% cash and 50% either common shares of the Corporation or promissory note, which promissory note shall rank junior to the Debentures; or (B) approval by Debentureholders holding at least 50% of the aggregate principal amount of Debentures then outstanding.

Section 9.11 Indebtedness

Neither the Corporation nor any of its wholly-owned subsidiaries shall create, incur, assume or be liable for any Indebtedness other than Permitted Indebtedness.

Section 9.12 Executive and Consultant Remuneration

- (1) The Corporation shall maintain certain remuneration reductions, which have been accruing since March 2020, for those members of management of the Corporation as agreed by representatives appointed by Debentureholders holding at least 50% of the aggregate principal amount of Debentures at the time of closing, until the Corporation generates positive Free Cash Flow for any financial quarter (the "**Remuneration Milestone**").
- (2) Upon the achievement of the Remuneration Milestone by the Corporation or upon the approval of Debentureholders holding at least 60% of the aggregate principal amount of Debentures then outstanding, the salary reductions shall be lifted and the remuneration of those members of management of the Corporation as set out above shall return to pre-reduction levels and, if the Remuneration Milestone is achieved prior to or for the interim financial period ended March 31, 2021, the accrued and unpaid remuneration as set out above shall be paid to such member of management. In the event that that Remuneration Milestone is not satisfied prior to March 31, 2021, all accrued and unpaid salaries shall be forfeited unless otherwise determined by Debentureholders holding at least 60% of the aggregate principal amount of Debentures then outstanding.
- (3) Such remuneration reductions shall not be considered "Good Reason" as defined by the employment or consulting agreement as agreed to by each member of management referred to above.

ARTICLE 10 DEFAULT

Section 10.1 Events of Default.

- (1) Each of the following events constitutes, and is herein sometimes referred to as, an “**Event of Default**”:
 - (a) failure to provide management accounts to the Debentureholders within twenty-one (21) days of each month end commencing on July 21, 2020 for the month ended June 30, 2020;
 - (b) failure to hold the Corporation’s previously scheduled annual meeting of Shareholders as soon as practicable in accordance with local health and safety guidelines and securities laws in Ontario;
 - (c) failure for 10 days to pay interest on the Debentures when due;
 - (d) failure to pay principal when due on the Debentures whether at maturity, by declaration or otherwise;
 - (e) default in the delivery, when due, of all cash and any Common Shares or other consideration payable on conversion with respect to the Debentures, which default continues for 30 days;
 - (f) default in the observance or performance of any covenant or condition of this Indenture by the Corporation and the failure to cure (or obtain a waiver for) such default for a period of 30 days after notice in writing has been given by the Debenture Trustee or from holders of not less than 25% in aggregate principal amount of the Debentures to the Corporation specifying such default and requiring the Corporation to rectify such default or obtain a waiver for same;
 - (g) if a decree or order of any court having jurisdiction is entered adjudging the Corporation a bankrupt or insolvent under the *Bankruptcy and Insolvency Act* (Canada) or any other bankruptcy, insolvency or analogous laws, or issuing sequestration or process of execution against, or against any substantial part of, the property of the Corporation, or appointing a receiver of, or of any substantial part of, the property of the Corporation or ordering the winding-up or liquidation of its affairs, and any such decree or order continues unstayed and in effect for a period of 60 days;
 - (h) if the Corporation institutes proceedings to be adjudicated a bankrupt or insolvent, or consents to the institution of bankruptcy or insolvency proceedings against it under the *Bankruptcy and Insolvency Act* (Canada) or any other bankruptcy, insolvency or analogous laws, or consents to the filing of any such petition or to the appointment of a receiver of, or of any substantial part of, the property of the Corporation or makes a general assignment for the benefit of creditors, or admits in writing its inability to pay its debts generally as they become due;

- (i) if a resolution is passed for the winding-up or liquidation of the Corporation; or
- (j) if, after the date of this Indenture, any proceedings with respect to the Corporation are taken with respect to a compromise or arrangement, with respect to creditors of the Corporation generally, under the applicable legislation of any jurisdiction;

then: (i) in each and every such event listed above, the Debenture Trustee may, relying on an opinion of Counsel, and shall, upon receipt of a request in writing signed by the holders of not less than 50% in principal amount of the Debentures then outstanding, subject to the provisions of Section 10.3, by notice in writing to the Corporation declare the principal of and interest on all Debentures then outstanding and all other monies outstanding hereunder to be due and payable and the same shall thereupon forthwith become immediately due and payable to the Debenture Trustee, and (ii) on the occurrence of an Event of Default under Section 10.1(1)(c), Section 10.1(1)(d) or Section 10.1(1)(e), the principal of and interest on all Debentures then outstanding hereunder and all other monies outstanding hereunder, shall automatically without any declaration or other act on the part of the Debenture Trustee or any Debentureholder become immediately due and payable to the Debenture Trustee and, in either case, upon such amounts becoming due and payable in either (i) or (ii) above, the Corporation shall forthwith pay to the Debenture Trustee for the benefit of the Debentureholders such principal, accrued and unpaid interest and interest on amounts in default on such Debenture and all other monies outstanding hereunder, together with subsequent interest at the rate borne by the Debentures on such principal, interest and such other monies from the date of such declaration or event until payment is received by the Debenture Trustee, such subsequent interest to be payable at the times and places and in the manner mentioned in and according to the tenor of the Debentures. Such payment when made shall be deemed to have been made in discharge of the Corporation's obligations hereunder and any monies so received by the Debenture Trustee shall be applied in the manner provided in Section 10.6.

Section 10.2 Notice of Events of Default.

If an Event of Default shall occur and be continuing the Debenture Trustee shall, within 10 days after it receives written notice of the occurrence of such Event of Default, give notice of such Event of Default to the Debentureholders in the manner provided in Section 12.3.

Section 10.3 Waiver of Default.

- (1) Upon the happening of any Event of Default hereunder:
 - (a) the holders of the Debentures shall have the power (in addition to the powers exercisable by Extraordinary Resolution as hereinafter provided) by requisition in writing by the holders of more than 50% of the principal amount of Debentures then outstanding, to instruct the Debenture Trustee to waive any Event of Default and to cancel any declaration made by the Debenture Trustee pursuant to Section 10.1 and the Debenture Trustee shall thereupon waive the Event of Default and

cancel such declaration, or either, upon such terms and conditions as shall be prescribed in such requisition; and

- (b) the Debenture Trustee, so long as it has not become bound to declare the principal and interest on the Debentures then outstanding to be due and payable, or to obtain or enforce payment of the same, shall have power to waive any Event of Default if, in the Debenture Trustee's opinion (relying on an opinion of Counsel), the same shall have been cured or adequate satisfaction made therefor, and in such event to cancel any such declaration theretofore made by the Debenture Trustee, upon such terms and conditions as the Debenture Trustee may deem advisable.

No such act or omission either of the Debenture Trustee or of the Debentureholders shall extend to or be taken in any manner whatsoever to affect any subsequent Event of Default or the rights resulting therefrom.

Section 10.4 Enforcement by the Debenture Trustee.

- (1) Subject to the provisions of Section 10.3 and to the provisions of any Extraordinary Resolution that may be passed by the Debentureholders, if the Corporation shall fail to pay to the Debenture Trustee, forthwith after the same shall have been declared to be due and payable under Section 10.1, the principal of and interest on all Debentures then outstanding, together with any other amounts due hereunder, the Debenture Trustee may, relying on an opinion of Counsel, and shall upon receipt of a request in writing signed by the holders of not less than 50% in principal amount of the Debentures then outstanding and upon being funded and indemnified to its reasonable satisfaction against all costs, expenses and liabilities to be incurred, proceed in its name as trustee hereunder to obtain or enforce payment of such principal of and interest on all the Debentures then outstanding together with any other amounts due hereunder by such proceedings authorized by this Indenture or by law or equity as the Debenture Trustee in such request shall have been directed to take, or if such request contains no such direction, or if the Debenture Trustee shall act without such request, then by such proceedings authorized by this Indenture or by suit at law or in equity as the Debenture Trustee shall deem expedient.
- (2) The Debenture Trustee shall be entitled and empowered, either in its own name or as Debenture Trustee of an express trust, or as attorney-in-fact for the holders of the Debentures, or in any one or more of such capacities, to file such proof of debt, amendment of proof of debt, claim, petition or other document as may be necessary or advisable in order to have the claims of the Debenture Trustee and of the holders of the Debentures allowed in any insolvency, bankruptcy, liquidation or other judicial proceedings relative to the Corporation or its creditors or relative to or affecting its property. The Debenture Trustee is hereby irrevocably appointed (and the successive respective holders of the Debentures by taking and holding the same shall be conclusively deemed to have so appointed the Debenture Trustee) the true and lawful attorney-in-fact of the respective holders of the Debentures with authority to make and file in the respective names of the holders of the Debentures or on behalf of the holders of the Debentures as a class, subject to deduction from any such claims of the amounts of any

claims filed by any of the holders of the Debentures themselves, any proof of debt, amendment of proof of debt, claim, petition or other document in any such proceedings and to receive payment of any sums becoming distributable on account thereof, and to execute any such other papers and documents and to do and perform any and all such acts and things for and on behalf of such holders of the Debentures, as may be necessary or advisable in the opinion of the Debenture Trustee, in order to have the respective claims of the Debenture Trustee and of the holders of the Debentures against the Corporation or its property allowed in any such proceeding, and to receive payment of or on account of such claims; provided, however, that subject to Section 10.3, nothing contained in this Indenture shall be deemed to give to the Debenture Trustee, unless so authorized by Extraordinary Resolution, any right to accept or consent to any plan of reorganization or otherwise by action of any character in such proceeding to waive or change in any way any right of any Debentureholder.

- (3) The Debenture Trustee shall also have the power at any time and from time to time to institute and to maintain such suits and proceedings as it may be advised shall be necessary or advisable to preserve and protect its interests and the interests of the Debentureholders.
- (4) All rights of action hereunder may be enforced by the Debenture Trustee without the possession of any of the Debentures or the production thereof on the trial or other proceedings relating thereto. Any such suit or proceeding instituted by the Debenture Trustee shall be brought in the name of the Debenture Trustee as trustee of an express trust, and any recovery of judgment shall be for the rateable benefit of the holders of the Debentures subject to the provisions of this Indenture. In any proceeding brought by the Debenture Trustee (and also any proceeding in which a declaratory judgment of a court may be sought as to the interpretation or construction of any provision of this Indenture, to which the Debenture Trustee shall be a party) the Debenture Trustee shall be held to represent all the holders of the Debentures, and it shall not be necessary to make any holders of the Debentures parties to any such proceeding.

Section 10.5 No Suits by Debentureholders.

No holder of any Debenture shall have any right to institute any action, suit or proceeding at law or in equity for the purpose of enforcing payment of the principal of or interest on the Debentures or for the execution of any trust or power hereunder or for the appointment of a liquidator or receiver or for a receiving order under the *Bankruptcy and Insolvency Act* (Canada) or to have the Corporation wound up or to file or prove a claim in any liquidation or bankruptcy proceeding or for any other remedy hereunder, unless: (a) such holder shall previously have given to the Debenture Trustee written notice of the happening of an Event of Default hereunder; and (b) the Debentureholders by Extraordinary Resolution or by written instrument signed by the holders of at least 50% in principal amount of the Debentures then outstanding shall have made a request to the Debenture Trustee and the Debenture Trustee shall have been afforded reasonable opportunity either itself to proceed to exercise the powers hereinbefore granted or to institute an action, suit or proceeding in its name for such purpose; and (c) the Debentureholders or any of them shall have provided to the Debenture Trustee, when so requested by the Debenture Trustee, sufficient funds and security and indemnity satisfactory to it against the costs, expenses

and liabilities to be incurred therein or thereby; and (d) the Debenture Trustee shall have failed to act within a reasonable time after such notification, request and offer of indemnity and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Debenture Trustee, to be conditions precedent to any such proceeding or for any other remedy hereunder by or on behalf of the holder of any Debentures.

Section 10.6 Application of Monies by Debenture Trustee.

(1) Except as herein otherwise expressly provided, any monies received by the Debenture Trustee from the Corporation pursuant to the foregoing provisions of this Article 10, or as a result of legal or other proceedings or from any trustee in bankruptcy or liquidator of the Corporation, shall be applied, together with any other monies in the hands of the Debenture Trustee available for such purpose, as follows:

- (a) first, in payment or in reimbursement to the Debenture Trustee of its compensation, costs, charges, expenses, borrowings, advances or other monies provided or provided by or at the instance of the Debenture Trustee in or about the execution of its trusts under, or otherwise in relation to, this Indenture, with interest thereon as herein provided;
- (b) second, but subject as hereinafter in this Section 10.6 provided, in payment, rateably and proportionately to the holders of Debentures, of the principal of and accrued and unpaid interest and interest on amounts in default on the Debentures which shall then be outstanding in the priority of principal first and then accrued and unpaid interest and interest on amounts in default unless otherwise directed by Extraordinary Resolution and in that case in such order or priority as between principal and interest as may be directed by such resolution; and
- (c) third, in payment of the surplus, if any, of such monies to the Corporation or its assigns;

provided, however, that no payment shall be made pursuant to clause (b) above in respect of the principal or interest on any Debenture held, directly or indirectly, by or for the benefit of the Corporation or any subsidiary (other than any Debenture pledged for value and in good faith to a person other than the Corporation or any subsidiary but only to the extent of such person's interest therein) except subject to the prior payment in full of the principal and interest (if any) on all Debentures which are not so held.

(2) The Debenture Trustee shall not be bound to apply or make any partial or interim payment of any monies coming into its hands if the amount so received by it, after reserving such amount as the Debenture Trustee may think necessary to provide for the payments mentioned in (1), is insufficient to make a distribution of at least 2% of the aggregate principal amount of the outstanding Debentures, but it may retain the money so received by it and invest or deposit the same as provided herein until the money or the investments representing the same, with the income derived therefrom, together with any other monies for the time being under its control shall be sufficient for the said purpose or until it shall consider it advisable to apply the same in the manner hereinbefore set

forth. The foregoing shall, however, not apply to a final payment in distribution hereunder.

Section 10.7 Notice of Payment by Debenture Trustee.

Not less than 15 days' notice shall be given in the manner provided in Section 12.3 by the Debenture Trustee to the Debentureholders of any payment to be made under this Article 9. Such notice shall state the time when and place where such payment is to be made and also the liability under this Indenture to which it is to be applied. After the day so fixed, unless payment shall have been duly demanded and have been refused, the Debentureholders will be entitled to interest only on the balance (if any) of the principal monies and interest due to them, respectively, on the Debentures, after deduction of the respective amounts payable in respect thereof on the day so fixed.

Section 10.8 Debenture Trustee May Demand Production of Debentures.

The Debenture Trustee shall have the right to demand production of the Debentures in respect of which any payment of principal or interest required by this Article 10 is made and may cause to be endorsed on the same a memorandum of the amount so paid and the date of payment, but the Debenture Trustee may, relying on an opinion of Counsel, dispense with such production and endorsement, upon such indemnity being given to it and to the Corporation as the Debenture Trustee shall deem sufficient.

Section 10.9 Remedies Cumulative.

No remedy herein conferred upon or reserved to the Debenture Trustee, or upon or to the holders of Debentures is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now existing or hereafter to exist by law or by statute.

Section 10.10 Judgment Against the Corporation.

The Corporation covenants and agrees with the Debenture Trustee that, in case of any judicial or other proceedings to enforce the rights of the Debentureholders, judgment may be rendered against it in favour of the Debentureholders or in favour of the Debenture Trustee, as trustee for the Debentureholders, for any amount which may remain due in respect of the Debentures and the interest thereon and any other monies owing hereunder.

Section 10.11 Immunity of Directors, Officers and Others.

The Debentureholders and the Debenture Trustee hereby waive and release any right, cause of action or remedy now or hereafter existing in any jurisdiction against any past, present or future officer, director or employee of the Corporation or holder of Common Shares or of any successor for the payment of the principal of or interest on any of the Debentures or on any covenant, agreement, representation or warranty by the Corporation contained herein or in the Debentures.

**ARTICLE 11
CONCERNING THE DEBENTURE TRUSTEE**

Section 11.1 Trust Indenture Legislation.

- (1) If and to the extent that any provision of this Indenture limits, qualifies or conflicts with a mandatory requirement of Applicable Legislation, such mandatory requirement shall prevail.
- (2) The Corporation and the Debenture Trustee agree that each will, at all times in relation to this Indenture and any action to be taken hereunder, observe and comply with and be entitled to the benefits of Applicable Legislation.

Section 11.2 Rights and Duties of Debenture Trustee.

- (1) In the exercise of the rights and duties prescribed or conferred by the terms of this Indenture, the Debenture Trustee shall exercise that degree of care, diligence and skill that a reasonably prudent Debenture Trustee would exercise in comparable circumstances. No provision of this Indenture shall be construed to relieve the Debenture Trustee from liability for its own grossly negligent action, wilful misconduct, bad faith or fraud under this Indenture.
- (2) The obligation of the Debenture Trustee to commence or continue any act, action or proceeding for the purpose of enforcing any rights of the Debenture Trustee or the Registered Debentureholders hereunder shall be conditional upon the Registered Debentureholders furnishing, when required by notice by the Debenture Trustee, notice specifying the act, action or proceeding which the Debenture Trustee is requested to take, sufficient funds to commence or to continue such act, action or proceeding and an indemnity reasonably satisfactory to the Debenture Trustee to protect and to hold harmless the Debenture Trustee and its officers, directors, employees and agents, against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof. None of the provisions contained in this Indenture shall require the Debenture Trustee (or its officers, directors, employees or agents) to expend or to risk its (or their) own funds or otherwise to incur liability, financial or otherwise, in the performance of any of its (or their) duties or in the exercise of any of its (or their) rights or powers unless it is (or they are) indemnified and funded as aforesaid.
- (3) The Debenture Trustee may, before commencing or at any time during the continuance of any such act, action or proceeding, require the Registered Debentureholders, at whose instance it is acting to deposit with the Debenture Trustee the Debenture Certificates held by them, for which Debentures the Debenture Trustee shall issue receipts.
- (4) Every provision of this Indenture that by its terms relieves the Debenture Trustee of liability or entitles it to rely upon any evidence submitted to it is subject to the provisions of Applicable Legislation.

Section 11.3 Evidence, Experts and Advisers.

- (1) If, in the administration of the duties of this Indenture, the Debenture Trustee deems it necessary or desirable that any matter be proved or established by the Corporation, prior to taking or suffering any action hereunder, the Debenture Trustee may accept, act, and rely upon, and shall be protected in accepting, acting, and relying upon, a certificate of the Corporation as conclusive evidence of the truth of any fact relating to the Corporation or its assets therein stated and proof of the regularity of any proceedings or actions associated therewith, but the Debenture Trustee may in its discretion require further evidence or information before acting or relying on any such certificate. In addition to the reports, certificates, opinions and other evidence required by this Indenture, the Corporation shall furnish to the Debenture Trustee such additional evidence of compliance with any provision hereof, and in such form, as may be prescribed by Applicable Legislation or as the Debenture Trustee may reasonably require by written notice to the Corporation. Whenever Applicable Legislation requires that evidence referred to in this Section 11.3(1) be in the form of a statutory declaration, the Debenture Trustee may accept such statutory declaration in lieu of a certificate of the Corporation required by any provision hereof. Any such statutory declaration may be made by any one or more of the Chair of the Board and Chief Executive Officer, President or Chief Financial Officer of the Corporation or by any other officer or director of the Corporation to whom such authority is delegated by the directors from time to time.
- (2) In the exercise of its rights and duties hereunder, the Debenture Trustee may, if it is acting in good faith, act and rely, and shall be protected in so acting and relying, as to the truth of the statements and the accuracy of the opinions expressed in statutory declarations, opinions, reports, written requests, consents, or orders of the Corporation, certificates of the Corporation or other evidence furnished to the Debenture Trustee pursuant to a request of the Debenture Trustee, provided that such evidence complies with Applicable Legislation and that the Debenture Trustee complies with Applicable Legislation and that the Debenture Trustee examines the same and determines that such evidence complies with the applicable requirements of this Indenture. The Debenture Trustee may nevertheless, in its discretion, require further proof in cases where it deems further proof desirable. The Debenture Trustee is not bound to make any inquiry or investigation as to the performance by the Corporation of the Corporation's covenants hereunder.
- (3) Whenever it is provided in this Indenture or under Applicable Legislation that the Corporation shall deposit with the Debenture Trustee resolutions, certificates, reports, opinions, requests, orders or other documents, it is intended that the truth, accuracy and good faith on the effective date thereof and the facts and opinions stated in all such documents so deposited shall, in each and every such case, be conditions precedent to the right of the Corporation to have the Debenture Trustee take the action to be based thereon.
- (4) The Debenture Trustee may act and rely and shall be protected in acting and relying upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, letter, telegram, cablegram or other paper document believed by it to be genuine and to have been signed, sent or presented by or on behalf of the proper party or parties.

- (5) The Debenture Trustee may, at the Corporation's expense, employ or retain such counsel, accountants, appraisers, agents, or other experts or advisers as it may reasonably require for the purpose of determining and discharging its rights and duties hereunder and may pay reasonable remuneration for all services so performed by any of them, without taxation of costs of any counsel, and shall not be responsible for any misconduct or negligence on the part of any such counsel, accountants, appraisers, agents, or other experts or advisers who have been appointed with due care by the Debenture Trustee. Any reasonable remuneration so paid by the Debenture Trustee shall be repaid to the Debenture Trustee in accordance with Section 9.2.
- (6) The Debenture Trustee may act and rely and shall be protected in acting and relying in good faith on the opinion or advice of or information obtained from any counsel, accountant, appraiser, agent, or other expert or adviser, whether retained or employed by the Corporation or by the Debenture Trustee, in relation to any matter arising in the administration of the agency hereof. The Debenture Trustee shall not incur any liability for the acts or omissions of such counsel, accountant, appraiser, agent or other expert or adviser employed by the Debenture Trustee in good faith.
- (7) Proof of the execution of any document or instrument in writing by a Registered Debentureholder may be made by the certificate of a notary public, or other officer with similar powers, that the person signing such instrument acknowledged to him the execution thereof, or by an affidavit of a witness to such execution, or in any other manner that the Debenture Trustee considers adequate and in respect of a corporate Registered Debentureholder, shall include a certificate of incumbency of such Registered Debentureholder together with a certified resolution authorizing the person who signs such instrument to sign such instrument.

Section 11.4 Documents, Monies, etc. Held by Debenture Trustee.

- (1) Any monies, securities, documents of title or other instruments that may at any time be held by the Debenture Trustee may be held in the deposit vaults of the Debenture Trustee or at any Canadian chartered bank listed in Schedule I of the *Bank Act* (Canada), or deposited for safekeeping with any such bank. The parties hereto acknowledge and agree that the Debenture Trustee will have acted prudently in depositing the same with any Canadian chartered bank listed in Schedule I of the *Bank Act* (Canada), and that the Debenture Trustee is not required to make any further inquiries in respect of any such bank. Any monies held pending the application or withdrawal thereof under any provisions of this Indenture, shall be held, invested and reinvested in Permitted Investments as directed in writing by the Corporation and the delivery of such monies to the Debenture Trustee shall not give rise to a debtor-creditor or other similar relationship. "**Permitted Investments**" shall be treasury bills guaranteed by the Government of Canada having a term to maturity not to exceed ninety (90) days, or term deposits or bankers' acceptances of a Canadian chartered bank having a term to maturity not to exceed ninety (90) days, or such other investments that is in accordance with the Debenture Trustee's standard type of investments. Unless otherwise specifically provided herein, all interest or other income received by the Debenture Trustee in respect of such deposits and investments shall belong to the Corporation.

- (2) Any written direction for the investment or release of funds received shall be received by the Debenture Trustee by 9:00 a.m. (Eastern Standard Time) on the Business Day on which such investment or release is to be made, failing which such direction will be handled on a commercially reasonable efforts basis and may result in funds being invested or released on the next Business Day.
- (3) The amounts held by the Debenture Trustee pursuant to this Indenture are at the sole risk of the Corporation and, without limiting the generality of the foregoing, the Debenture Trustee shall have no responsibility or liability for any diminution of any funds resulting from any investment made in accordance with this Indenture, including any losses on any investment liquidated prior to maturity in order to make a payment required hereunder.
- (4) In the event that the Debenture Trustee does not receive a direction or only a partial direction, the Debenture Trustee may hold cash balances constituting part or all of such monies and may, but need not, invest same in its deposit department, the deposit department of one of its affiliates, or the deposit department of a Canadian chartered bank; but the Debenture Trustee, its affiliates or a Canadian chartered bank shall not be liable to account for any profit to any parties to this Indenture or to any other person or entity.

Section 11.5 Actions by Debenture Trustee to Protect Interest.

The Debenture Trustee shall have power to institute and to maintain such actions and proceedings as it may consider necessary or expedient to preserve, protect or enforce its interests and the interests of the Registered Debentureholders.

Section 11.6 Debenture Trustee Not Required to Give Security.

The Debenture Trustee shall not be required to give any bond or security in respect of the execution of the agency and powers of this Indenture or otherwise in respect of the premises.

Section 11.7 Protection of Debenture Trustee.

- (1) By way of supplement to the provisions of any law for the time being relating to debenture trustees it is expressly declared and agreed as follows:
 - (a) the Debenture Trustee shall not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within the rights or powers conferred upon it by this Indenture;
 - (b) the Debenture Trustee shall retain the right not to act and shall not be held liable for refusing to act unless it received clear and reasonable documentation which complies with the terms of this Indenture. Such documentation must not require the exercise of any discretion or independent judgment, except as otherwise provided herein;
 - (c) the Debenture Trustee will not be liable for or by reason of any failure or defect of title to or any lien, charge or encumbrance upon any property or for or by reason

of the statements or implication of fact or law contained in or arising out of anything contained in this Indenture or be required to verify the same, but all statements or implications will be deemed to have been made by the Corporation only;

- (d) the Debenture Trustee will not be required to disburse monies according to this Indenture except to the extent that monies have been deposited with it;
- (e) the Debenture Trustee shall be entitled to rely on, and act upon, any direction, order, instruction, notice or other communication given by the proper party authorized to do so and provided to the Debenture Trustee hereunder which is sent to it by email or facsimile transmission;
- (f) the Debenture Trustee shall not be responsible for any error made or act done by it resulting from reliance upon the signature of any Person on whose signature the Debenture Trustee is entitled to act or refrain from acting under a specific provision of this Indenture;
- (g) the Debenture Trustee is in no way responsible for the use by the Corporation of any funds that may be realized hereunder;
- (h) the Debenture Trustee shall incur no liability with respect to the delivery or non-delivery of any certificate or certificates whether delivered by hand, mail or any other means provided that they are sent in accordance with the provisions hereof;
- (i) the Debenture Trustee shall not be liable for or by reason of any statements of fact or recitals in this Indenture or in the Debenture Certificates (except the representation contained in Section 11.9 or in the certificate of the Debenture Trustee on the Debenture Certificates) or be required to verify the same, but all such statements or recitals are and shall be deemed to be made by the Corporation;
- (j) nothing herein contained shall impose any obligation on the Debenture Trustee to see to or to require evidence of the registration or filing (or renewal thereof) of this Indenture or any instrument ancillary or supplemental hereto;
- (k) the Debenture Trustee shall not be bound to give notice to any person or persons of the execution hereof;
- (l) the Debenture Trustee shall not incur any liability or responsibility whatever or be in any way responsible for the consequence of any breach on the part of the Corporation of any of its covenants herein contained or of any acts of any directors, officers, employees, agents or servants of the Corporation;
- (m) in addition to and without limiting any protection of the Debenture Trustee hereunder or otherwise by law, the Corporation hereby indemnifies and agrees to hold harmless the Debenture Trustee, its affiliates, and each of their current and former officers, directors, employees, agents, successors and assigns (the

“**Indemnified Parties**”) from and against any and all liabilities whatsoever, losses, damages, penalties, claims, demands, actions, suits, proceedings, costs, charges, assessments, judgments, expenses and disbursements, including expert consultant and legal fees and disbursements of whatever kind and nature which may at any time be imposed on or incurred by or asserted against Indemnified Parties or any of them, whether at law or in equity, groundless or otherwise, whatsoever arising from or out of any act, omission or error of the Debenture Trustee in connection with this Indenture and in any way caused by or arising, directly or indirectly, in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of the Indemnified Parties’ duties, or any other services that Debenture Trustee may provide in connection with or in any way relating to this Indenture, and including any action or liability brought against or incurred by the Indemnified Parties in relation to or arising, provided that the Corporation shall not be required to indemnify the Debenture Trustee in the event of the gross negligence or wilful misconduct of the Debenture Trustee. Notwithstanding any other provision hereof, the Corporation agrees that its liability hereunder shall be absolute and unconditional regardless of the correctness of any representations of any third parties and regardless of any liability of third parties to the Indemnified Parties, and shall accrue and become enforceable without prior demand or any other precedent action or proceeding, and this provision shall survive the resignation or removal of the Debenture Trustee or the termination or discharge of this Indenture;

- (n) notwithstanding the foregoing or any other provision of this Indenture, any liability of the Debenture Trustee shall be limited, in the aggregate, to the amount of annual retainer fees paid by the Corporation to the Debenture Trustee under this Indenture in the twenty four (24) months immediately prior to the Debenture Trustee receiving the first notice of the claim. Notwithstanding any other provision of this Indenture, and whether such losses or damages are foreseeable or unforeseeable, the Debenture Trustee shall not be liable under any circumstances whatsoever for any (a) breach by any other party of securities law or other rule of any securities regulatory authority, (b) lost profits or (c) special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages. Notwithstanding any other provision hereof, this provision shall survive the resignation or removal of the Debenture Trustee or the termination or discharge of this Indenture;
- (o) the Debenture Trustee shall not be under any obligation to prosecute or to defend any action or suit in respect of the relationship which, in the opinion of its Counsel, may involve it in expense or liability, unless the Corporation shall, so often as required, furnish the Debenture Trustee with satisfactory indemnity and funding against such expense or liability;
- (p) the Debenture Trustee, in its individual capacity, shall not have any personal liability whatsoever to the Corporation or the Registered Debentureholders or any of their respective successors and assigns for any claim or loss based on or in

respect of this Indenture or arising in any way from the transactions contemplated hereby; and

- (q) the Debenture Trustee shall not be required to exercise any powers and shall have no duties or responsibilities except those expressly provided for in this Indenture, and the Debenture Trustee shall have no obligation to recognize nor have any liability or responsibility arising under any other document or agreement to which the Debenture Trustee is not a party, notwithstanding that reference thereto may be made herein. No permissive rights of the Debenture Trustee enumerated herein shall be construed as duties.

Section 11.8 Replacement of Debenture Trustee; Successor by Merger.

- (1) The Debenture Trustee may resign its agency and be discharged from all further duties and liabilities hereunder, subject to this Section 11.8, by giving to the Corporation not less than 30 days' prior notice in writing or such shorter prior notice as the Corporation may accept as sufficient. The Registered Debentureholders by Extraordinary Resolution shall have power at any time to remove the existing Debenture Trustee and to appoint a new Debenture Trustee. In the event of the Debenture Trustee resigning or being removed as aforesaid or being dissolved, becoming bankrupt, going into liquidation or otherwise becoming incapable of acting hereunder, the Corporation shall forthwith appoint a new Debenture Trustee unless a new Debenture Trustee has already been appointed by the Registered Debentureholders; failing such appointment by the Corporation, the retiring Debenture Trustee (at the expense of the Corporation) or any Registered Debentureholder may apply to a judge of the Superior Court of Justice of the province of Ontario on such notice as such judge may direct, for the appointment of a new Debenture Trustee; but any new Debenture Trustee so appointed by the Corporation or by the Court shall be subject to removal as aforesaid by the Registered Debentureholders. Any new Debenture Trustee appointed under any provision of this Section 11.8 shall be an entity authorized to carry on the business of a trustee in the Province of Ontario and, if required by the Applicable Legislation for any other provinces, in such other provinces. On any such appointment the new debenture trustee shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Debenture Trustee hereunder.
- (2) Upon the appointment of a successor Debenture Trustee, the Corporation shall promptly notify the Registered Debentureholders thereof in the manner provided for in Section 12.3.
- (3) Upon payment by the Corporation to the retiring Debenture Trustee of any and all outstanding fees or charges still properly owing to it, the retiring Debenture Trustee shall undertake to transfer all requisite files, inventory and other records to the successor Debenture Trustee upon request of the Corporation.
- (4) Any Debenture Certificates Authenticated but not delivered by a predecessor Debenture Trustee may be Authenticated by the successor Debenture Trustee in the name of the predecessor or successor Debenture Trustee.

- (5) Any corporation into or with which the Debenture Trustee may be merged or consolidated or amalgamated, or any corporation resulting therefrom to which the Debenture Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Debenture Trustee shall be the successor to the Debenture Trustee hereunder without any further act on its part or any of the parties hereto, provided that such corporation would be eligible for appointment as successor Debenture Trustee under Section 11.8(1).

Section 11.9 Conflict of Interest.

- (1) The Debenture Trustee represents to the Corporation that at the time of execution and delivery hereof no material conflict of interest exists between its role as a Debenture Trustee hereunder and its role in any other capacity and agrees that in the event of a material conflict of interest arising hereafter it will, within 90 days after ascertaining that it has such material conflict of interest, either eliminate the same or assign its agency hereunder to a successor Debenture Trustee approved by the Corporation and meeting the requirements set forth in Section 11.8(1). Notwithstanding the foregoing provisions of this Section 11.9(1), if any such material conflict of interest exists or hereafter shall exist, the validity and enforceability of this Indenture and the Debenture Certificate shall not be affected in any manner whatsoever by reason thereof.
- (2) Subject to Section 11.9(1), the Debenture Trustee, in its personal or any other capacity, may buy, lend upon and deal in securities of the Corporation and generally may contract and enter into financial transactions with the Corporation without being liable to account for any profit made thereby.

Section 11.10 Acceptance of Agency.

The Debenture Trustee hereby accepts the agency in this Indenture declared and provided for and agrees to perform the same upon the terms and conditions herein set forth unless and until discharged therefrom by resignation or in some other lawful way. No trust is intended to be or will be created hereby and the Debenture Trustee shall owe no duties hereunder as a trustee.

Section 11.11 Debenture Trustee Not to be Appointed Receiver.

The Debenture Trustee and any person related to the Debenture Trustee shall not be appointed a receiver, a receiver and manager or liquidator of all or any part of the assets or undertaking of the Corporation.

Section 11.12 Debenture Trustee Not Required to Give Notice of Default.

The Debenture Trustee is not obligated and shall not be bound to give any notice or do or take any act, action or proceeding by virtue of the powers conferred on it hereby unless and until it shall have been required so to do under the terms hereof; nor shall the Debenture Trustee be required to take notice of any default hereunder, unless and until notified in writing of such default, which notice shall distinctly specify the default desired to be brought to the attention of the Debenture Trustee and in the absence of any such notice the Debenture Trustee may for all

purposes of this Indenture conclusively assume that no default has been made in the observance or performance of any of the representations, warranties, covenants, agreements or conditions contained herein. Any such notice shall in no way limit any discretion herein given to the Debenture Trustee to determine whether or not the Debenture Trustee shall take action with respect to any default.

Section 11.13 Anti-Money Laundering.

- (1) Each party to this Indenture other than the Debenture Trustee hereby represents to the Debenture Trustee that any account to be opened by, or interest to be held by the Debenture Trustee in connection with this Indenture, for or to the credit of such party, either (i) is not intended to be used by or on behalf of any third party; or (ii) is intended to be used by or on behalf of a third party, in which case such party hereto agrees to complete and execute forthwith a declaration in the Debenture Trustee's prescribed form as to the particulars of such third party.
- (2) The Debenture Trustee shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Debenture Trustee, in its sole judgment, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist or sanctions legislation, regulation or guideline. Further, should the Debenture Trustee, in its sole judgment, determine at any time that its acting under this Indenture has resulted in its being in non-compliance with any applicable anti-money laundering or anti-terrorist or sanctions legislation, regulation or guideline, then it shall have the right to resign on 10 days written notice to the other parties to this Indenture, provided (i) that the Debenture Trustee's written notice shall describe the circumstances of such non-compliance to the extent permitted by any applicable anti-money laundering or anti-terrorist or sanctions legislation, regulation or guideline; and (ii) that if such circumstances are rectified to the Debenture Trustee's satisfaction within such 10 day period, then such resignation shall not be effective.

Section 11.14 Compliance with Privacy Policy.

- (1) The Corporation acknowledges that the Debenture Trustee may, in the course of providing services hereunder, collect or receive financial and other personal information about such parties and/or their representatives, as individuals, or about other individuals related to the subject matter hereof, and use such information for the following purposes:
 - (a) to provide the services required under this Indenture and other services that may be requested from time to time;
 - (b) to help the Debenture Trustee manage its servicing relationships with such individuals;
 - (c) to meet the Debenture Trustee's legal and regulatory requirements; and

- (d) if Social Insurance Numbers are collected by the Debenture Trustee, to perform tax reporting and to assist in verification of an individual's identity for security purposes.
- (2) The Corporation acknowledges and agrees that the Debenture Trustee may receive, collect, use and disclose personal information provided to it or acquired by it in the course of its acting as agent hereunder for the purposes described above and, generally, in the manner and on the terms described in its privacy policy, which the Debenture Trustee shall make available on its website or upon request, including revisions thereto. Further, the Corporation agrees that it shall not provide or cause to be provided to the Debenture Trustee any personal information relating to an individual who is not a party to this Indenture unless the Corporation has assured itself that such individual understands and has consented to the aforementioned uses and disclosures. The Debenture Trustee may transfer personal information to other companies in or outside of Canada that provide data processing and storage or other support in order to facilitate the services it provides.

ARTICLE 12 GENERAL

Section 12.1 Optional Purchase by the Corporation.

Subject to compliance with applicable securities legislation and approval of applicable regulatory authorities, the Corporation may from time to time purchase by private contract or otherwise any of the Debentures. Any such purchase shall be made at the lowest price or prices at which, in the opinion of the board of directors of the Corporation, such Debentures are then obtainable, plus reasonable costs of purchase, and may be made in such manner, from such persons and on such other terms as the Corporation, in its sole discretion, may determine. In the case of a purchase pursuant to this Section 12.1 the applicable Debenture Certificates shall forthwith be delivered to and cancelled by the Debenture Trustee. In the case of Uncertificated Debentures, the Debentures purchased pursuant to this Section 12.1 shall be reflected accordingly in accordance with procedures prescribed by the Depository under the book entry registration system. No Debentures shall be issued in replacement thereof.

Section 12.2 Notice to the Corporation and the Debenture Trustee.

- (1) Unless herein otherwise expressly provided, any notice to be given hereunder to the Corporation or the Debenture Trustee shall be deemed to be validly given if delivered, sent by registered letter, postage prepaid or telecopied:
 - (a) If to the Corporation:

MPX International Corporation
5255 Yonge Street, Suite 701
Toronto, Ontario
M2N 6P4

Attention: Jeremy Budd, Executive Vice President, General Counsel and
Corporate Secretary

Fax: 647-560-4456

(b) If to the Debenture Trustee:

1 Toronto Street, Suite 1200
Toronto, ON M5C 2V6

Attention: Vice-President, Corporate Trust

Fax: 514-285-8846

and any such notice delivered in accordance with the foregoing shall be deemed to have been received and given on the date of delivery or, if mailed, on the fifth Business Day following the date of mailing such notice or, if telecopied, on the next Business Day following the date of transmission.

- (2) The Corporation or the Debenture Trustee, as the case may be, may from time to time notify the other in the manner provided in Section 12.2(1) of a change of address which, from the effective date of such notice and until changed by like notice, shall be the address of the Corporation or the Debenture Trustee, as the case may be, for all purposes of this Indenture.
- (3) If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Debenture Trustee or to the Corporation hereunder could reasonably be considered unlikely to reach its destination, such notice shall be valid and effective only if it is delivered to the named officer of the party to which it is addressed, as provided in Section 12.2(1), or given by telecopy or other means of prepaid, transmitted and recorded communication.

Section 12.3 Notice to Registered Debentureholders.

- (1) Unless otherwise provided herein, notice to the Registered Debentureholders under the provisions of this Indenture shall be valid and effective if delivered or sent by ordinary post addressed to such holders at their post office addresses appearing on the register hereinbefore mentioned and shall be deemed to have been effectively received and given on the date of delivery or, if mailed, on the third Business Day following the date of mailing such notice. In the event that Debentures are held in the name of the Depository, a copy of such notice shall also be sent by electronic communication to the Depository and shall be deemed received and given on the day it is so sent.
- (2) If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Registered Debentureholders hereunder could reasonably be considered unlikely to reach its destination, such notice shall be valid and effective only if it is delivered to such Registered Debentureholders to the address for such Registered Debentureholders contained in the register maintained by the Debenture Trustee.

Section 12.4 Ownership of Debentures.

The Corporation and the Debenture Trustee may deem and treat the Registered Debentureholders as the absolute owner thereof for all purposes, and the Corporation and the Debenture Trustee shall not be affected by any notice or knowledge to the contrary except where the Corporation or the Debenture Trustee is required to take notice by statute or by order of a court of competent jurisdiction. The receipt of any such Registered Debentureholder of the Units which may be acquired pursuant thereto shall be a good discharge to the Corporation and the Debenture Trustee for the same and neither the Corporation nor the Debenture Trustee shall be bound to inquire into the title of any such holder except where the Corporation or the Debenture Trustee is required to take notice by statute or by order of a court of competent jurisdiction.

Section 12.5 Counterparts.

This Indenture may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and notwithstanding their date of execution they shall be deemed to be dated as of the date hereof. Delivery of an executed copy of this Indenture by electronic facsimile transmission or other means of electronic communication capable of producing a printed copy will be deemed to be execution and delivery of this Indenture as of the date hereof.

Section 12.6 Satisfaction and Discharge of Indenture.

- (1) Upon the earlier of:
 - (a) the date by which there shall have been delivered to the Debenture Trustee for conversion or cancellation all Debentures theretofore Authenticated hereunder, in the case of Certificated Debentures, or by way of such other instructions, in a form satisfactory to the Debenture Trustee in the case of Uncertificated Debentures, or by way of standard processing through the book entry only system in the case of a CDS Global Debenture; or
 - (b) the Maturity Date;

and if all certificates or other entry on the register representing Common Shares required to be issued in compliance with the provisions hereof have been issued and delivered hereunder or to the Debenture Trustee in accordance with such provisions, this Indenture shall cease to be of further effect and the Debenture Trustee, on demand of and at the cost and expense of the Corporation and upon delivery to the Debenture Trustee of a certificate of the Corporation stating that all conditions precedent to the satisfaction and discharge of this Indenture have been complied with, shall execute proper instruments acknowledging satisfaction of and discharging this Indenture. Notwithstanding the foregoing, the indemnities provided to the Debenture Trustee by the Corporation hereunder shall remain in full force and effect and survive the termination of this Indenture.

Section 12.7 Provisions of Indenture and Debentures for the Sole Benefit of Parties and Registered Debentureholders.

Nothing in this Indenture or in the Debentures, expressed or implied, shall give or be construed to give to any person other than the parties hereto and the Registered Debentureholders, as the case may be, any legal or equitable right, remedy or claim under this Indenture, or under any covenant or provision herein or therein contained, all such covenants and provisions being for the sole benefit of the parties hereto and the Registered Debentureholders.

Section 12.8 Severability.

If, in any jurisdiction, any provision of this Indenture or its application to any party or circumstance is restricted, prohibited or unenforceable, such provision will, as to such jurisdiction, be ineffective only to the extent of such restriction, prohibition or unenforceability without invalidating the remaining provisions of this Indenture and without affecting the validity or enforceability of such provision in any other jurisdiction or without affecting its application to other parties or circumstances.

Section 12.9 Force Majeure.

No party shall be liable to the other, or held in breach of this Indenture, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics, governmental action or judicial order, earthquakes, or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Indenture shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section 12.9.

Section 12.10 Assignment, Successors and Assigns.

Neither of the parties hereto may assign its rights or interest under this Indenture, except as provided in Section 11.8 in the case of the Debenture Trustee, or as provided in Section 8.2 in the case of the Corporation. Subject thereto, this Indenture shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns. Notwithstanding the foregoing, any entity:

- (a) resulting from any merger or consolidation to which the Debenture Trustee may be a party;
- (b) that purchases or succeeds in ownership to the majority or substantially all of the corporate trust business of the Debenture Trustee;
- (c) that is a controlled subsidiary or affiliate of the Debenture Trustee; or
- (d) to which a majority of the assets of the Debenture Trustee used in connection with performing this Indenture are transferred while the Debenture Trustee continues to act as Debenture Trustee;

shall be the successor to the Debenture Trustee hereunder without any further act or formality with like effect as if such successor Debenture Trustee had originally been named as the trustee herein.

Section 12.11 Entire Agreement.

This Indenture and all supplemental indentures and Schedules hereto and thereto, and the Debentures issued hereunder and thereunder, together constitute the entire agreement between the parties hereto with respect to the indebtedness created hereunder and thereunder and under the Debentures and supersedes as of the date hereof all prior memoranda, agreements, negotiations, discussions and term sheets, whether oral or written, with respect to the indebtedness created hereunder or thereunder and under the Debentures.

Section 12.12 Rate of Exchange.

Any currency exchange between Canadian and United States dollars required pursuant to this Indenture shall be calculated pursuant to the daily rate of exchange posted by the Bank of Canada for the day immediately prior to the applicable Issue Date or Coupon Date, as applicable.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF the parties hereto have executed this Indenture under the hands of their proper officers in that behalf as of the date first written above.

MPX INTERNATIONAL CORPORATION

By: 

Name: W. Scott Boyes

Title: Chairman, President and Chief Executive Officer

AST TRUST COMPANY (CANADA)

By: 

Name: Nelia Andrade

Title: Authorized Signatory

By: 

Name: Marta Recinos

Title: Authorized Signatory

Schedule "A"
Part I - Form of Debenture

For all Debentures include the following legend until such time as it is no longer required in accordance with applicable Canadian securities laws and Canadian Securities Exchange policies:

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE **[INSERT THE DATE WHICH IS FOUR MONTHS AND ONE DAY AFTER THE ISSUE DATE]**.

For all Debentures sold outside the United States and registered in the name of the Depository, also include the following legend:

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("CDS") TO MPX INTERNATIONAL CORPORATION OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE.

For Debentures originally issued to Debentureholders that are U.S. Persons, and each Debenture issued in exchange therefor or in substitution thereof, also include the following legends:

THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON CONVERSION HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR UNDER ANY STATE SECURITIES LAWS, AND THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON CONVERSION HEREOF MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO MPX INTERNATIONAL CORPORATION (THE "CORPORATION"), (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATIONS UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (i) RULE 144 OR (ii) 144A UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE U.S. STATE SECURITIES LAWS, OR (D) IN COMPLIANCE WITH ANOTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(i) OR (D) ABOVE, A LEGAL OPINION REASONABLY SATISFACTORY TO THE CORPORATION MUST FIRST BE PROVIDED TO THE CORPORATION OR THE CORPORATION'S TRANSFER AGENT, AS APPLICABLE, TO THE EFFECT THAT SUCH

TRANSFER IS EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

CUSIP 55344LAB8
ISIN CA55344LAB86

No. ●

US\$●

MPX INTERNATIONAL CORPORATION

(A corporation existing under the laws of the Province of Ontario)

**12% SECURED CONVERTIBLE DEBENTURE
due June 30, 2022**

MPX International Corporation (the "**Corporation**") for value received hereby acknowledges itself indebted and, subject to the provisions of the debenture indenture (the "**Indenture**") dated as of June 30, 2020 between the Corporation and AST Trust Company (Canada) (the "**Debenture Trustee**"), promises to pay to _____ on June 30, 2022 (the "**Maturity Date**") or on such earlier date as the principal amount hereof may become due in accordance with the provisions of the Indenture, the principal sum of ● Dollars (US\$●) in lawful money of the United States on presentation and surrender of this Debenture at the main branch of the Debenture Trustee in Toronto, Ontario in accordance with the terms of the Indenture and, subject as hereinafter provided, to pay interest on the principal amount hereof from the date hereof, at the rate of 12% per annum payable quarterly in arrears on the last day of March, June, September and December in each year, commencing December 31, 2020 (each, a "**Coupon Date**"). If applicable, the amount of interest that becomes payable on December 31, 2020 will represent accrued interest for the period from the Issue Date to December 31, 2020. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months commencing on the Issue Date, and, should the Corporation at any time make default in the payment of any principal, or interest, the Corporation shall pay interest on the amount in default at the same rate, in like money and on the same date. All accrued but unpaid interest as of each Coupon Date shall be payable in cash.

This Debenture is one of the 12% Secured Convertible Debentures (referred to herein as the "**Debentures**") of the Corporation issued under the provisions of the Indenture. The Debentures authorized for issue immediately are limited to an aggregate principal amount of US\$● in lawful money of the United States. Reference is hereby expressly made to the Indenture for a description of the terms and conditions upon which the Debentures are or are to be issued and held and the rights and remedies of the holders of the Debentures and of the Corporation and of the Debenture Trustee, all to the same effect as if the provisions of the Indenture were herein set forth to all of which provisions the holder of this Debenture by acceptance hereof assents.

The Debentures are issuable only in denominations of US\$1,000 and integral multiples thereof. Upon compliance with the provisions of the Indenture, Debentures of any denomination may be exchanged for an equal aggregate principal amount of Debentures in any other authorized denomination or denominations.

The Corporation shall have the option, exercisable in its sole discretion, of repaying all or any portion of the then outstanding principal amount of all Debentures in cash at any time. In the event that the Corporation exercises this option, interest on such principal amount being repaid shall be calculated up to but excluding the date of repayment from, and including, the Issue Date, and such interest, to the extent unpaid, shall be immediately due and payable at the time of repayment.

Any part, being US\$1,000 or an integral multiple thereof, of the principal plus accrued and unpaid interest of this Debenture, provided that the principal amount of this Debenture is in a denomination in excess of US\$1,000, is convertible, at the option of the holder hereof, upon surrender of this Debenture at the principal office of the Debenture Trustee in Toronto, Ontario, at any time prior to the close of business on the Maturity Date, but effective as of the date the Debenture is so converted, into Common Shares (without adjustment for interest accrued hereon or for dividends or distributions on Common Shares issuable upon conversion) at a conversion price per Common Shares equal to C\$0.12 (the “**Conversion Price**”), all subject to the terms and conditions and in the manner set forth in the Indenture.

The Indenture makes provision for the adjustment of the Conversion Price in the events therein specified. No fractional Common Shares will be issued on any conversion and holders will receive a cash payment in satisfaction of any fractional interest. No fractional Common Share will be issued, and the number of Common Shares so issuable will be rounded down to the nearest whole number. Holders converting their Debentures will receive accrued and unpaid interest thereon (less any taxes required to be deducted) in respect of the Debentures surrendered for conversion up to but excluding the Maturity Date from, and including, their Issue Date.

The indebtedness evidenced by this Debenture, and by all other Debentures now or hereafter certified and delivered under the Indenture, is a direct obligation of the Corporation secured by the Security Interests granted by the Security Documents.

The principal hereof may become or be declared due and payable before the stated maturity in the events, in the manner, with the effect and at the times provided in the Indenture.

The Common Shares issuable upon conversion of the Debentures have not and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or the securities laws of any state of the United States. The Debentures originally issued in the United States or to, or for the account or benefit of, a U.S. Person are, and any , the Common Shares issued upon conversion of such Debentures will be, “restricted securities” within the meaning of Rule 144(a)(3) of the U.S. Securities Act.

The Indenture contains provisions making binding upon all holders of Debentures outstanding thereunder resolutions passed at meetings of such holders held in accordance with such provisions and instruments signed by the holders of a specified majority of Debentures

outstanding, which resolutions or instruments may have the effect of amending the terms of this Debenture or the Indenture.

The Indenture contains provisions disclaiming any personal liability on the part of holders of Common Shares, officers, directors and employees of the Corporation in respect of any obligation or claim arising out of the Indenture or this Debenture.

This Debenture may only be transferred, upon compliance with the conditions prescribed in the Indenture, in one of the registers to be kept at the principal office of the Debenture Trustee in the City of Toronto and in such other place or places and/or by such other registrars (if any) as the Corporation with the approval of the Debenture Trustee may designate. No transfer of this Debenture shall be valid unless made on the register by the registered holder hereof or his executors or administrators or other legal representatives, or his or their attorney duly appointed by an instrument in form and substance satisfactory to the Debenture Trustee or other registrar, and upon compliance with such reasonable requirements as the Debenture Trustee or other registrar may prescribe and upon surrender of this Debenture for cancellation. Thereupon a new Debenture or Debentures in the same aggregate principal amount shall be issued to the transferee in exchange hereof.

This Debenture shall not become obligatory for any purpose until it shall have been certified by the Debenture Trustee under the Indenture.

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

Capitalized words or expressions used in this Debenture shall, unless otherwise defined herein, have the meaning ascribed thereto in the Indenture.

[Reminder of this page intentionally left blank.]

IN WITNESS WHEREOF MPX INTERNATIONAL CORPORATION has caused this Debenture to be signed by its authorized representatives as of the 30th day of June 2020.

MPX INTERNATIONAL CORPORATION

By: _____

(FORM OF DEBENTURE TRUSTEE'S CERTIFICATE)

This Debenture is one of the 12% Secured Convertible Debentures due June 30, 2022 referred to in the Indenture within mentioned.

AST TRUST COMPANY (CANADA)

By: _____
(Authorized Officer)

Date: _____

DATED this _____ day of _____, 20____.

SPACE FOR GUARANTEES OF)
SIGNATURES (BELOW)

) _____

) Signature of Transferor

)

_____) _____

Guarantor's Signature/Stamp) Name of Transferor

)

CERTAIN REQUIREMENTS RELATING TO TRANSFERS - READ CAREFULLY

The signature(s) of the transferor(s) must correspond with the name(s) as written upon the face of this certificate(s), in every particular, without alteration or enlargement, or any change whatsoever. The signature(s) on this form must be guaranteed in accordance with the transfer agent's then current guidelines and requirements at the time of transfer. Notarized or witnessed signatures are not acceptable as guaranteed signatures. As at the time of closing, you may choose one of the following methods (although subject to change in accordance with industry practice and standards):

- **Canada and the USA:** A Medallion Signature Guarantee obtained from a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, NYSE MSP). Many commercial banks, savings banks, credit unions, and all broker dealers participate in a Medallion Signature Guarantee Program. The Guarantor must affix a stamp bearing the actual words "**Medallion Guaranteed**", with the correct prefix covering the face value of the certificate.
- **Canada:** A Signature Guarantee obtained from the Guarantor must affix a stamp bearing the actual words "**Signature Guaranteed**". Signature Guarantees are not accepted from Treasury Branches, Credit Unions or Caisse Populaires unless they are members of a Medallion Signature Guarantee Program. For corporate holders, corporate signing resolutions, including certificate of incumbency, are also required to accompany the transfer, unless there is a "**Signature & Authority to Sign Guarantee**" Stamp affixed to the transfer (as opposed to a "**Signature Guarantee**" Stamp) obtained from an authorized officer of a major Canadian Schedule 1 chartered bank.
- **Outside North America:** For holders located outside North America, present the certificate(s) and/or document(s) that require a guarantee to a local financial institution that has a corresponding Canadian or American affiliate which is a member of an

acceptable Medallion Signature Guarantee Program. The corresponding affiliate will arrange for the signature to be over-guaranteed.

APPENDIX "1"

TO DEBENTURE

MPX INTERNATIONAL CORPORATION

12% SECURED CONVERTIBLE DEBENTURES

DUE June 30, 2022

Initial Principal Amount: US\$●

CUSIP 55344LAB8
ISIN CA55344LAB86

Authorization: _____

ADJUSTMENTS

Date	Amount of Increase	Amount of Decrease	New Principal Amount	Authorization

Schedule "B"
Form of Notice of Conversion

CONVERSION NOTICE

To: MPX INTERNATIONAL CORPORATION

Note: All capitalized terms used herein have the meaning ascribed thereto in the Indenture mentioned below, unless otherwise indicated.

The undersigned registered holder of 12% Secured Convertible Debentures irrevocably elects to convert such Debentures (or US\$● principal amount thereof*) in accordance with the terms of the Indenture referred to in such Debentures and tenders herewith the Debentures and directs that the Common Shares of MPX International Corporation issuable upon a conversion be issued and delivered to the person indicated below. (If Common Shares are to be issued in the name of a person other than the holder, all requisite transfer taxes must be tendered by the undersigned).

If the Debentures are being converted by, or for the account or benefit of a U.S. Person or a Person in the United States, the undersigned represents, warrants and certifies as follows (one only) of the following must be checked):

A. The undersigned has not been solicited to convert the Debentures by any person, or if the undersigned has been solicited to convert the Debentures, the undersigned has confirmed that no commission or remuneration has been or will be paid or given, directly or indirectly, for soliciting such conversion, and the undersigned acknowledges that the Corporation is relying on the registration exemption provided by Section 3(a)(9) of the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), to issue the Common Shares.

B. The undersigned has delivered to the Corporation and the Debenture Trustee an opinion of counsel reasonably satisfactory to the Corporation to the effect that an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws is available. (Note: If this box is to be checked, holders are encouraged to consult with the Corporation in advance to determine that the legal opinion tendered in connection with conversion will be satisfactory in form and substance to the Corporation.)

If the undersigned has checked Box A or B, and the undersigned has determined with the benefit of legal advice that the restrictions on transfer contained in the Indenture and the U.S. restrictive legend are not required to be imposed on the beneficial interest of the undersigned in order to maintain compliance with the U.S. Securities Act, the undersigned has caused to be delivered to the Corporation and the Debenture Trustee, at the request of the Corporation or the Debenture Trustee, an opinion of counsel of recognised standing, in form and substance reasonably satisfactory to the Corporation, to the foregoing effect. Otherwise, the undersigned acknowledges and understands that the securities issuable upon conversion of such Debentures will contain a U.S. restrictive legend as described in the Indenture.

Dated:

(Signature of Registered Holder)

* If less than the full principal amount of the Debentures, indicate in the space provided the principal amount (which must be US\$1,000 or integral multiples thereof).

NOTE: If Common Shares are to be issued in the name of a person other than the holder, the signature must be guaranteed by a chartered bank, a trust company or by a member of an acceptable Medallion Guarantee Program. The Guarantor must affix a stamp bearing the actual words: **"SIGNATURE GUARANTEED"**.

(Print name in which Common Shares are to be issued, delivered and registered)

Name:

Address:

City, Province and
Postal Code

Name of Guarantor:

Authorized
Signature:

Schedule "C"
Form of Declaration for Removal of Legend

TO: AST Trust Company (Canada), as Debenture Trustee

AND TO: MPX International Corporation (the "**Corporation**")

The undersigned (A) acknowledges that the sale of _____ of the Corporation represented by certificate number _____ to which this declaration relates is being made in reliance on Rule 904 of Regulation S ("Regulation S") under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and (B) certifies that (1) the undersigned is not (a) an "affiliate" (as that term is defined in Rule 405 under the U.S. Securities Act) of the Corporation, except solely by virtue of being an officer or director of the Corporation, (b) a "distributor" as defined in Regulation S under the U.S. Securities Act or (c) an affiliate of a distributor; (2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States, or (b) the transaction was executed on or through the facilities of a designated offshore securities market (such as the TSX Venture Exchange, the Toronto Stock Exchange or the Canadian Securities Exchange) and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States or U.S. Person; (3) neither the seller nor any affiliate of the seller nor any person acting on their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities; (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as that term is defined in Rule 144(a)(3) under the U.S. Securities Act); (5) the seller does not intend to replace securities sold in reliance on Rule 904 of Regulation S with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions, which, although in technical compliance with Regulation S, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

DATED this _____ day of _____, 20__ .

X

Signature of individual (if Seller **is** an individual)

X

Authorized signatory (if Seller is **not** an individual)

Name of Seller (**please print**)

Name of authorized signatory (**please print**)

Official capacity of authorized signatory (**please print**)

Affirmation by Seller's Broker-Dealer
(Required for sales in accordance with Section (B)(2)(b) above)

We have read the foregoing representations of our customer, _____ (the "Seller") dated _____, with regard to our sale, for such Seller's account, of the securities of the Corporation described therein, and on behalf of ourselves we certify and affirm that (A) we have no knowledge that the transaction had been prearranged with a buyer in the United States, (B) the transaction was executed on or through the facilities of designated offshore securities market, (C) neither we, nor any person acting on our behalf, engaged in any directed selling efforts in connection with the offer and sale of such securities, and (D) no selling concession, fee or other remuneration is being paid to us in connection with this offer and sale other than the usual and customary broker's commission that would be received by a person executing such transaction as agent. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

Name of Firm

By:

Authorized Officer

DATED _____, 20____.

THIS SUPPLEMENTAL DEBENTURE INDENTURE is entered into as of the 16th day of September, 2020.

BETWEEN:

MPX INTERNATIONAL CORPORATION, a company incorporated pursuant to the laws of the Province of Ontario and includes any successor corporation (hereinafter referred to as the "**Corporation**")

AND

AST TRUST COMPANY (CANADA), a trust company existing under the laws of Canada and authorized to carry on business in all Provinces of Canada (hereinafter referred to as the "**Debenture Trustee**")

WHEREAS:

- A. The Corporation and the Debenture Trustee entered into a debenture indenture dated June 30, 2020 (the "**Base Debenture Indenture**"), providing for the issuance of Debentures in the aggregate principal amount of a minimum of US\$3,000,000 and a maximum of up to US\$3,700,000;
- B. As of the date hereof, the Corporation has issued 3,694 Debentures representing an aggregate principal amount of US\$3,694,000 and no Debentures have been converted;
- C. As of the date hereof, the Corporation can issue an additional 6 Debentures representing an aggregate principal amount of US\$6,000 under the terms and conditions of the Base Debenture Indenture;
- D. The Corporation wishes to enter into this supplemental debenture indenture (the "**Supplemental Debenture Indenture**" and together with the Base Debenture Indenture, the "**Indenture**") to amend the Base Debenture Indenture to enable the Corporation to increase the principal amount of Debentures issuable under the terms and conditions of the Indenture by the aggregate principal amount of up to US\$1,300,000 to a new maximum principal amount of up to US\$5,000,000;
- E. Pursuant to Sections 7.11 and 7.14 of the Base Debenture Indenture, the Debentureholders of at least 60% of the aggregate principal amount of the outstanding Debentures have approved, by written Extraordinary Resolution as of the date hereof, the issue of such additional Debentures and the entering into of this Supplemental Debenture Indenture by the Corporation to give effect to the same;
- F. Pursuant to Section 8.1(c) of the Base Debenture Indenture, the Corporation and the Debenture Trustee may enter into a supplemental debenture indenture giving effect to any Extraordinary Resolution passed as provided in Section 7.11 of the Base Debenture Indenture; and

G. The foregoing recitals are made as statements of fact by the Corporation and not by the Debenture Trustee;

NOW THEREFORE in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Corporation and the Debenture Trustee mutually covenant, agree and declare as follows:

ARTICLE 1 INTERPRETATION

Section 1.1 Definitions and Interpretation

In this Supplemental Debenture Indenture, except as otherwise defined herein or unless the context otherwise requires, all terms used but not defined herein (including the recitals hereto) shall have the meanings specified in the Base Debenture Indenture. This Supplemental Debenture Indenture shall, unless otherwise required, be subject to the interpretation provisions contained in Article 1 of the Base Debenture Indenture. When entered into by the parties, this Supplemental Debenture Indenture shall be supplemental to, part of and read together with the Base Debenture Indenture as a single instrument, and all of the provisions of the Base Debenture Indenture, as supplemented by this Supplemental Debenture Indenture, shall apply to the Debentures.

If any term or provision contained in this Supplemental Debenture Indenture shall conflict or be inconsistent with any term or provision of the Base Debenture Indenture, the terms and provisions of the Supplemental Debenture Indenture shall govern.

ARTICLE 2 AMENDMENTS TO THE BASE DEBENTURE INDENTURE

Section 2.1 Amendments to the Base Debenture Indenture

The Base Debenture Indenture is hereby amended as follows:

- (1) The second paragraph of the preamble of the Base Debenture Indenture shall be deleted in its entirety and replaced with the following:

AND WHEREAS the Corporation is proposing to issue Units for a minimum of US\$3,000,000 and a maximum of up to US\$5,000,000 pursuant to the Subscription Agreements and this Indenture (as defined herein);

- (2) Section 2.1 of the Base Debenture Indenture shall be deleted in its entirety and replaced with the following:

Section 2.1 Creation and Issue of Debentures.

A minimum of US\$3,000,000 and a maximum of up to US\$5,000,000 in principal amount of Debentures are hereby created and authorized to be issued in accordance with the terms and conditions hereof. By written order of the Corporation, the Debenture Trustee shall deliver Debenture Certificates to Registered Debentureholders and record

the name of the Registered Debentureholders on the Debenture register. Registration of interests in Debentures held by the Depository may be evidenced by a position appearing on the register for Debentures of the Debenture Trustee for an amount representing the aggregate number of such Debentures outstanding from time to time. Notwithstanding the above, all Debentures issued in the United States or to, or for the account or benefit of, a U.S. Person or a person within the United States will be delivered in certificated form.

- (3) Section 2.2(1) of the Base Debenture Indenture shall be deleted in its entirety and replaced with the following:
 - (1) The Debentures authorized for issue immediately, in the aggregate principal amount a minimum of US\$3,000,000 and a maximum of up to US\$5,000,000, shall be designated as "12% Secured Convertible Debentures" and shall be dated as of their Issue Date and shall, subject to the terms of this Indenture, mature on the Maturity Date.

ARTICLE 3 MISCELLANEOUS PROVISIONS

Section 3.1 Confirmation of Base Debenture Indenture

On the date hereof, the Base Debenture Indenture shall be supplemented in accordance with this Supplemental Debenture Indenture, and this Supplemental Debenture Indenture shall form part of the Base Debenture Indenture for all purposes, and the holder of every Debenture heretofore or hereafter authenticated and delivered under the Base Debenture Indenture shall be bound thereby. The Base Debenture Indenture, as supplemented by this Supplemental Debenture Indenture, shall remain in full force and effect and is in all respects ratified and confirmed.

Section 3.2 Acceptance of Duties

The parties hereby accept the terms of this Supplemental Debenture Indenture and the modifications of the terms of the Base Debenture Indenture as declared and provided for herein, and the parties agree to perform the same upon the terms and conditions of the Base Debenture Indenture, as amended hereby.

Section 3.3 Counterparts and Formal Date

This Supplemental Debenture Indenture shall be effective as of the date and year first set forth above. This Supplemental Debenture Indenture may be executed in several counterparts, each of which when so executed, shall be deemed to be an original and such counterparts together shall constitute one and the same instrument. Delivery of an executed signature page to this Supplemental Debenture Indenture by a party hereto by facsimile transmission or PDF shall be as effective as the delivery of a manually executed copy of this Supplemental Debenture Indenture by such party.

Section 3.4 Applicable Law

This Supplemental Debenture Indenture shall be construed and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF the parties hereto have executed this Supplemental Debenture Indenture as of the day and year first written above.

MPX INTERNATIONAL CORPORATION

By: 
Name: W. Scott Boyes
Title: Chairman, President and CEO

AST TRUST COMPANY (CANADA)

By: 
Name: Marta Recinos
Title: Authorized Signatory

By: 
Name: Nelia Andrade
Title: Authorized Signatory

THIS SECOND SUPPLEMENTAL DEBENTURE INDENTURE is entered into as of the 18th day of December, 2020.

BETWEEN:

MPX INTERNATIONAL CORPORATION, a company incorporated pursuant to the laws of the Province of Ontario and includes any successor corporation (hereinafter referred to as the "**Corporation**")

AND

AST TRUST COMPANY (CANADA), a trust company existing under the laws of Canada and authorized to carry on business in all Provinces of Canada (hereinafter referred to as the "**Debenture Trustee**")

WHEREAS:

- A. The Corporation and the Debenture Trustee entered into a debenture indenture dated June 30, 2020 (the "**Base Debenture Indenture**") providing for the issuance of Debentures in the aggregate principal amount of a minimum of US\$3,000,000 and a maximum of up to US\$3,700,000;
- B. The Corporation and the Debenture Trustee entered into a supplemental debenture indenture dated September 16, 2020 (the "**First Supplemental Debenture Indenture**") to increase the Principal Amount under the Debenture Indenture by US\$1,300,000 to a new maximum Principal Amount of up to US\$5,000,000;
- C. As of the date hereof, the Corporation has issued 5,000 Debentures representing an aggregate principal amount of US\$5,000,000 and no Debentures have been converted;
- D. As of the date hereof, the Corporation cannot issue any additional Debentures under the terms and conditions of the Base Debenture Indenture as amended by the First Supplemental Debenture Indenture;
- E. The Corporation wishes to enter into this second supplemental debenture indenture (this "**Second Supplemental Debenture Indenture**" and together with the Base Debenture Indenture and the First Supplemental Debenture Indenture, the "**Indenture**") to amend the Base Debenture Indenture as amended by the First Supplemental Debenture Indenture to enable the Corporation to increase the principal amount of Debentures issuable under the terms and conditions of the Indenture by the aggregate principal amount of up to US\$2,500,000 to a new maximum principal amount of up to US\$7,500,000 and to confirm the Canadian and United States dollar currency exchange rate as 1.36 Canadian dollars for each US\$1.00;
- F. Pursuant to Sections 7.11 and 7.14 of the Base Debenture Indenture, the Debentureholders of at least 60% of the aggregate principal amount of the outstanding Debentures have approved, by written Extraordinary Resolution dated as of the date hereof, the issue of such additional Debentures and the entering into of this Second Supplemental Debenture Indenture by the Corporation to give effect to the same;

G. Pursuant to Section 8.1(c) of the Base Debenture Indenture, the Corporation and the Debenture Trustee may enter into a supplemental debenture indenture giving effect to any Extraordinary Resolution passed as provided in Section 7.11 of the Base Debenture Indenture; and

H. The foregoing recitals are made as statements of fact by the Corporation and not by the Debenture Trustee;

NOW THEREFORE in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Corporation and the Debenture Trustee mutually covenant, agree and declare as follows:

ARTICLE 1 INTERPRETATION

Section 1.1 Definitions and Interpretation

In this Second Supplemental Debenture Indenture, except as otherwise defined herein or unless the context otherwise requires, all terms used but not defined herein (including the recitals hereto) shall have the meanings specified in the Base Debenture Indenture. This Second Supplemental Debenture Indenture shall, unless otherwise required, be subject to the interpretation provisions contained in Article 1 of the Base Debenture Indenture. When entered into by the parties, this Second Supplemental Debenture Indenture shall be supplemental to, part of and read together with the Base Debenture Indenture and the First Supplemental Debenture Indenture as a single instrument, and all of the provisions of the Base Debenture Indenture as amended by the First Supplemental Debenture Indenture, as supplemented by this Second Supplemental Debenture Indenture, shall apply to the Debentures.

If any term or provision contained in this Second Supplemental Debenture Indenture shall conflict or be inconsistent with any term or provision of the Base Debenture Indenture or the First Supplemental Debenture Indenture, the terms and provisions of this Second Supplemental Debenture Indenture shall govern.

ARTICLE 2 AMENDMENTS TO THE BASE DEBENTURE INDENTURE AS AMENDED BY THE FIRST SUPPLEMENTAL DEBENTURE INDENTURE

Section 2.1 Amendments to the Base Debenture Indenture as amended by the First Supplemental Debenture Indenture

The Base Debenture Indenture is hereby amended as follows:

- (1) The second paragraph of the preamble of the Base Debenture Indenture as amended by the First Supplemental Debenture Indenture shall be deleted in its entirety and replaced with the following:

AND WHEREAS the Corporation is proposing to issue Units for a minimum of US\$3,000,000 and a maximum of up to US\$7,500,000 pursuant to the Subscription Agreements and this Indenture (as defined herein);

- (2) Section 2.1 of the Base Debenture Indenture as amended by the First Supplemental Debenture Indenture shall be deleted in its entirety and replaced with the following:

Section 2.1 Creation and Issue of Debentures.

A minimum of US\$3,000,000 and a maximum of up to US\$7,500,000 in principal amount of Debentures are hereby created and authorized to be issued in accordance with the terms and conditions hereof. By written order of the Corporation, the Debenture Trustee shall deliver Debenture Certificates to Registered Debentureholders and record the name of the Registered Debentureholders on the Debenture register. Registration of interests in Debentures held by the Depository may be evidenced by a position appearing on the register for Debentures of the Debenture Trustee for an amount representing the aggregate number of such Debentures outstanding from time to time. Notwithstanding the above, all Debentures issued in the United States or to, or for the account or benefit of, a U.S. Person or a person within the United States will be delivered in certificated form.

- (3) Section 2.2(1) of the Base Debenture Indenture as amended by the First Supplemental Debenture Indenture shall be deleted in its entirety and replaced with the following:

Section 2.2 Terms of Debentures.

- (1) The Debentures authorized for issue immediately, in the aggregate principal amount a minimum of US\$3,000,000 and a maximum of up to US\$7,500,000, shall be designated as "12% Secured Convertible Debentures" and shall be dated as of their Issue Date and shall, subject to the terms of this Indenture, mature on the Maturity Date.
- (4) Section 12.12 of the Base Debenture Indenture shall be deleted in its entirety and replaced with the following:

Section 12.12 Rate of Exchange.

Any currency exchange between Canadian and United States dollars required pursuant to this Indenture shall be calculated pursuant to the currency exchange rate of 1.36 Canadian dollars for each US\$1.00.

**ARTICLE 3
MISCELLANEOUS PROVISIONS**

Section 3.1 Confirmation of Base Debenture Indenture

On the date hereof, the Base Debenture Indenture as amended by the First Supplemental Debenture Indenture shall be supplemented in accordance with this Second Supplemental Debenture Indenture, and this Second Supplemental Debenture Indenture shall form part of the Base Debenture Indenture as amended by the First Supplemental Debenture Indenture for all purposes, and the holder of every Debenture heretofore or hereafter authenticated and delivered under the Base Debenture Indenture as amended by the First Supplemental Debenture Indenture shall be bound thereby. The Base Debenture Indenture, as supplemented by the First Supplemental Debenture Indenture and this Second Supplemental Debenture Indenture, shall remain in full force and effect and is in all respects ratified and confirmed.

Section 3.2 Acceptance of Duties

The parties hereby accept the terms of this Second Supplemental Debenture Indenture and the modifications of the terms of the Base Debenture Indenture as amended by the First Supplemental Debenture Indenture as declared and provided for herein, and the parties agree to perform the same upon the terms and conditions of the Base Debenture Indenture as amended by the First Supplemental Debenture Indenture, as amended hereby.

Section 3.3 Counterparts and Formal Date

This Second Supplemental Debenture Indenture shall be effective as of the date and year first set forth above. This Second Supplemental Debenture Indenture may be executed in several counterparts, each of which when so executed, shall be deemed to be an original and such counterparts together shall constitute one and the same instrument. Delivery of an executed signature page to this Second Supplemental Debenture Indenture by a party hereto by facsimile transmission or PDF shall be as effective as the delivery of a manually executed copy of this Second Supplemental Debenture Indenture by such party.

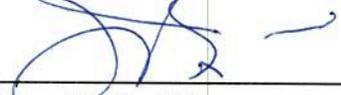
Section 3.4 Applicable Law

This Second Supplemental Debenture Indenture shall be construed and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF the parties hereto have executed this Second Supplemental Debenture Indenture as of the day and year first written above.

MPX INTERNATIONAL CORPORATION

By: 

Name: W. Scott Boyes

Title: Chairman, President and Chief Executive Officer

AST TRUST COMPANY (CANADA)

By: 

Name: Marta Recinos

Title: Authorized Signatory

By: 

Name: Nelia Andrade

Title: Authorized Signatory

THIS THIRD SUPPLEMENTAL DEBENTURE INDENTURE is entered into as of the 24th day of June, 2021.

BETWEEN:

MPX INTERNATIONAL CORPORATION, a company incorporated pursuant to the laws of the Province of Ontario and includes any successor corporation (hereinafter referred to as the “**Corporation**”)

AND

AST TRUST COMPANY (CANADA), a trust company existing under the laws of Canada and authorized to carry on business in all Provinces of Canada (hereinafter referred to as the “**Debenture Trustee**”)

WHEREAS:

A. The Corporation and the Debenture Trustee entered into a debenture indenture dated June 30, 2020 (the “**Base Debenture Indenture**”) providing for the issuance of Debentures in the aggregate principal amount of a minimum of US\$3,000,000 and a maximum of up to US\$3,700,000;

B. The Corporation and the Debenture Trustee entered into a supplemental debenture indenture dated September 16, 2020 (the “**First Supplemental Debenture Indenture**”) to increase the Principal Amount under the Debenture Indenture by US\$1,300,000 to a new maximum Principal Amount of up to US\$5,000,000;

C. The Corporation and the Debenture Trustee entered into a second supplemental debenture indenture dated December 18, 2020 (the “**Second Supplemental Debenture Indenture**”, together with the First Supplemental Debenture Indenture, the “**Subsequent Supplemental Debenture Indentures**”) to increase the Principal Amount under the Debenture Indenture by US\$2,500,000 to a new maximum Principal Amount of up to US\$7,500,000;

D. As of the date hereof, the Corporation has issued 7,500 Debentures representing an aggregate principal amount of US\$7,500,000 and 111 Debentures representing an aggregate principal amount of US\$111,000 have been converted;

E. **AND WHEREAS**, as of the date hereof, the Corporation can issue an additional 111 Debentures representing an aggregate principal amount of US\$111,000 under the terms and conditions of the Base Debenture Indenture as amended by the Subsequent Supplemental Debenture Indentures;

F. The Corporation wishes to enter into this third supplemental debenture indenture (this “**Third Supplemental Debenture Indenture**” and together with the Base Debenture Indenture and the Subsequent Supplemental Debenture Indentures, the “**Indenture**”) to amend the Base Debenture Indenture as amended by the Subsequent Supplemental Debenture Indentures to enable the Corporation to, *inter alia*, increase the principal amount of Debentures issuable under the terms and conditions of the Indenture by the aggregate principal amount of up to

US\$4,500,000 to a new maximum principal amount of up to US\$12,000,000, amend the Definition of "Conversion Price" and satisfy the interest payments due on the Coupon Dates of March 31, 2021 and June 30, 2021 through the issuance of securities of the Corporation;

G. Pursuant to Sections 7.11 and 7.14 of the Base Debenture Indenture, the Debentureholders of at least 60% of the aggregate principal amount of the outstanding Debentures have approved, by written Extraordinary Resolution dated as of the date hereof, *inter alia*, the issue of such additional Debentures and the entering into of this Third Supplemental Debenture Indenture by the Corporation to give effect to the same;

H. Pursuant to Section 8.1(c) of the Base Debenture Indenture, the Corporation and the Debenture Trustee may enter into a supplemental debenture indenture giving effect to any Extraordinary Resolution passed as provided in Section 7.11 of the Base Debenture Indenture; and

I. The foregoing recitals are made as statements of fact by the Corporation and not by the Debenture Trustee;

NOW THEREFORE in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Corporation and the Debenture Trustee mutually covenant, agree and declare as follows:

ARTICLE 1 INTERPRETATION

Section 1.1 Definitions and Interpretation

In this Third Supplemental Debenture Indenture, except as otherwise defined herein or unless the context otherwise requires, all terms used but not defined herein (including the recitals hereto) shall have the meanings specified in the Base Debenture Indenture. This Third Supplemental Debenture Indenture shall, unless otherwise required, be subject to the interpretation provisions contained in Article 1 of the Base Debenture Indenture. When entered into by the parties, this Third Supplemental Debenture Indenture shall be supplemental to, part of and read together with the Base Debenture Indenture and the Subsequent Supplemental Debenture Indentures as a single instrument, and all of the provisions of the Base Debenture Indenture as amended by the Subsequent Supplemental Debenture Indentures, as supplemented by this Third Supplemental Debenture Indenture, shall apply to the Debentures.

If any term or provision contained in this Third Supplemental Debenture Indenture shall conflict or be inconsistent with any term or provision of the Base Debenture Indenture or the Subsequent Supplemental Debenture Indentures, the terms and provisions of this Third Supplemental Debenture Indenture shall govern.

ARTICLE 2
AMENDMENTS TO THE BASE DEBENTURE INDENTURE AS AMENDED BY THE
SUBSEQUENT SUPPLEMENTAL DEBENTURE INDENTURES

Section 2.1 Amendments to the Base Debenture Indenture as amended by the Subsequent Supplemental Debenture Indentures

The Base Debenture Indenture as amended by the Subsequent Supplemental Debenture Indentures is hereby amended as follows:

- (1) The second paragraph of the preamble of the Base Debenture Indenture as amended by the Subsequent Supplemental Debenture Indentures shall be deleted in its entirety and replaced with the following:

AND WHEREAS the Corporation is proposing to issue Units for a minimum of US\$3,000,000 and a maximum of up to US\$12,000,000 pursuant to the Subscription Agreements and this Indenture (as defined herein);

- (2) The definition of "Conversion Price" set out in Section 1.1 of the Base Debenture as amended by the Subsequent Supplemental Debenture Indentures shall be deleted in its entirety and replaced with the following:

"Conversion Price" means (a) the conversion price of the Debentures issued, which: (i) prior to March 1, 2021 shall be equal to C\$0.12 per Common Share; and (ii) on or after March 1, 2021 shall be C\$0.13 per Common Share; or (b) subject to the approval and policies of the Canadian Securities Exchange (the "CSE"), if the Corporation sells any capital stock to any other investor for cash at a price lower than C\$0.13 per Common Share or convertible securities at a conversion price or exercise price less than C\$0.13 (other than the Units), the conversion price of the Debentures issued on or after March 1, 2021, which shall be reduced to such lower price;

- (3) Subsection (n) of the definition of "Permitted Liens" set out in Section 1.1 of the Base Debenture as amended by the Subsequent Supplemental Debenture Indentures shall be deleted in its entirety and replaced with the following:

"Permitted Liens" means Liens arising as a result of any security granted in favour of the vendors in connection with the acquisition by the Corporation or its subsidiaries of any business (or subset thereof) provided that such Liens are limited to the assets of, and related equity interest in, such acquired business;

- (4) Section 2.1 of the Base Debenture Indenture as amended by the Subsequent Supplemental Debenture Indentures shall be deleted in its entirety and replaced with the following:

Section 2.1 Creation and Issue of Debentures.

A minimum of US\$3,000,000 and a maximum of up to US\$12,000,000 in principal amount of Debentures are hereby created and authorized to be issued in accordance with the terms and conditions hereof. By written order of the Corporation, the Debenture

Trustee shall deliver Debenture Certificates to Registered Debentureholders and record the name of the Registered Debentureholders on the Debenture register. Registration of interests in Debentures held by the Depository may be evidenced by a position appearing on the register for Debentures of the Debenture Trustee for an amount representing the aggregate number of such Debentures outstanding from time to time. Notwithstanding the above, all Debentures issued in the United States or to, or for the account or benefit of, a U.S. Person or a person within the United States will be delivered in certificated form.

- (5) Section 2.2(1) of the Base Debenture Indenture as amended by the Subsequent Supplemental Debenture Indentures shall be deleted in its entirety and replaced with the following:

Section 2.2 Terms of Debentures.

- (1) The Debentures authorized for issue immediately, in the aggregate principal amount a minimum of US\$3,000,000 and a maximum of up to US\$12,000,000, shall be designated as “12% Secured Convertible Debentures” and shall be dated as of their Issue Date and shall, subject to the terms of this Indenture, mature on the Maturity Date.
- (6) Further to Section 2.15 of the Base Debenture Indenture as amended by the Subsequent Supplemental Debenture Indentures, the payment of interest that:
- (a) was due on the Coupon Date of March 31, 2021 and remains unpaid as at the date hereof, shall be deposited as the principal amount of an advance into a short-term loan (the “**Bridge Loan**”) that will mature three (3) months from the date of issuance (the “**Bridge Loan Maturity Date**”) and bear interest at a rate of 12% per annum calculated in arrears and payable in cash on the earlier of the Bridge Loan Maturity Date or concurrently with the conversion of the Bridge Loan into Units at a conversion premium equal to ten percent (10%) of the principal amount advanced as part of the Bridge Loan such that each US\$1,000 of principal amount advanced as part of the Bridge Loan, US\$1,100 of Units will be issued; and
- (b) is due on the Coupon Date of June 30, 2021, shall be satisfied, prior to June 30, 2021, through the issuance of Units, subject to a minimum of US\$1,000.00 or an integral multiple thereof. Any incremental interest amounts not in integrals of US\$1,000.00 shall be satisfied in cash at the next cash payment of interest by the Corporation.
- (7) Section 9.10 of the Base Debenture Indenture as amended by the Subsequent Supplemental Debenture Indentures shall be deleted in its entirety and replaced with the following along with the corresponding change to the Table of Contents:

9.10 Set Off

The Corporation undertakes not to challenge issued Debentures by set off or any other means.

- (8) Section 10.2 of the Base Debenture Indenture as amended by the Subsequent Supplemental Debenture Indentures shall be deleted in its entirety and replaced with the following:

Section 10.2 Notice of Events of Default.

If an Event of Default shall occur and be continuing the Debenture Trustee shall, within 7 days after it receives written notice of the occurrence of such Event of Default, give notice of such Event of Default to the Debentureholders in the manner provided in Section 12.3.

- (9) Section 10.4(1) of the Base Debenture Indenture as amended by the Subsequent Supplemental Debenture Indentures shall be deleted in its entirety and replaced with the following:

(1) Subject to the provisions of Section 10.3 and to the provisions of any Extraordinary Resolution that may be passed by the Debentureholders, if the Corporation shall fail to pay to the Debenture Trustee, forthwith after the same shall have been declared to be due and payable under Section 10.1, the principal of and interest on all Debentures then outstanding, together with any other amounts due hereunder, the Debenture Trustee may, relying on an opinion of Counsel, and shall upon receipt of a request in writing signed by the holders of not less than 50% in principal amount of the Debentures then outstanding and upon being funded and indemnified to its reasonable satisfaction in writing by the Debentureholders who supported the Extraordinary Resolution against all costs, expenses and liabilities to be incurred, proceed in its name as trustee hereunder to obtain or enforce payment of such principal of and interest on all the Debentures then outstanding together with any other amounts due hereunder by such proceedings authorized by this Indenture or by law or equity as the Debenture Trustee in such request shall have been directed to take, or if such request contains no such direction, or if the Debenture Trustee shall act without such request, then by such proceedings authorized by this Indenture or by suit at law or in equity as the Debenture Trustee shall deem expedient.

- (10) Section 10.5 of the Base Debenture Indenture as amended by the Subsequent Supplemental Debenture Indentures shall be deleted in its entirety and replaced with the following:

Section 10.5 No Suits by Debentureholders.

No holder of any Debenture shall have any right to institute any action, suit or proceeding at law or in equity for the purpose of enforcing payment of the principal of or interest on the Debentures or for the execution of any trust or power hereunder or for the appointment of a liquidator or receiver or for a receiving order under the *Bankruptcy and Insolvency Act* (Canada) or to have the Corporation wound up or to file or prove a claim in any liquidation or bankruptcy proceeding or for any other remedy hereunder, unless: (a) such holder shall previously have given to the Debenture Trustee written notice of the happening of an Event of Default hereunder; and (b) the Debentureholders by

Extraordinary Resolution or by written instrument signed by the holders of at least 50% in principal amount of the Debentures then outstanding shall have made a request to the Debenture Trustee and the Debenture Trustee shall have been afforded reasonable opportunity either itself to proceed to exercise the powers hereinbefore granted or to institute an action, suit or proceeding in its name for such purpose; and (c) the Debentureholders or any of them shall have provided to the Debenture Trustee, when so requested by the Debenture Trustee, sufficient funds and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby; and (d) the Debenture Trustee shall have failed to act within a reasonable time after such notification, request and offer of indemnity and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Debenture Trustee, to be conditions precedent to any such proceeding or for any other remedy hereunder by or on behalf of the holder of any Debentures. Further to the above, the Corporation also agrees not to institute any action, suit or proceeding at law or in equity against the Debenture Trustee for acting on the instructions of the Debentureholders by Extraordinary Resolution or by written instrument signed by the holders of at least 50% in principal amount of the Debentures then outstanding.

- (11) Section 11.3(6) of the Base Debenture Indenture as amended by the Subsequent Supplemental Debenture Indentures shall be deleted in its entirety and replaced with the following:
 - (6) The Debenture Trustee may act and rely and shall be protected in acting and relying in good faith on the opinion or advice of or information obtained from any counsel, accountant, appraiser, agent, or other expert or adviser, whether retained or employed by the Corporation or by the Debenture Trustee, in relation to any matter arising in the administration of the agency hereof. The Debenture Trustee shall not incur any liability for the acts or omissions of such counsel, accountant, appraiser, agent or other expert or adviser employed by the Debenture Trustee in good faith. Nothing in this section removes the liability of any such counsel, accountant, appraiser, agent or other expert or advisor employed by the Debenture Trustee for damages suffered by any Debentureholder as a result of such party's negligence or wrongful act or omission.
- (12) Section 11.7(1)(b) of the Base Debenture Indenture as amended by the Subsequent Supplemental Debenture Indentures shall be deleted in its entirety and replaced with the following:
 - (b) other than as indicated otherwise in this Indenture, the Debenture Trustee shall retain the right not to act and shall not be held liable for refusing to act unless it received clear and reasonable documentation which complies with the terms of this Indenture. Such documentation must not require the exercise of any discretion or independent judgment, except as otherwise provided herein;
- (13) Section 11.7(1)(o) of the Base Debenture Indenture as amended by the Subsequent Supplemental Debenture Indentures shall be deleted in its entirety and replaced with the following:

- (o) The Corporation shall, so often as required, furnish the Debenture Trustee with satisfactory indemnity and funding against such expense or liability which may be incurred by the Debenture Trustee to prosecute or to defend any action or suit in respect of the relationship which, in the opinion of its Counsel, may involve the Debenture Trustee in expense or liability;

ARTICLE 3 MISCELLANEOUS PROVISIONS

Section 3.1 Confirmation of Base Debenture Indenture

On the date hereof, the Base Debenture Indenture as amended by the Subsequent Supplemental Debenture Indentures shall be supplemented in accordance with this Third Supplemental Debenture Indenture, and this Third Supplemental Debenture Indenture shall form part of the Base Debenture Indenture as amended by the Subsequent Supplemental Debenture Indentures for all purposes, and the holder of every Debenture heretofore or hereafter authenticated and delivered under the Base Debenture Indenture as amended by the Subsequent Supplemental Debenture Indentures shall be bound thereby. The Base Debenture Indenture, as supplemented by the Subsequent Supplemental Debenture Indentures and this Third Supplemental Debenture Indenture, shall remain in full force and effect and is in all respects ratified and confirmed.

Section 3.2 Acceptance of Duties

The parties hereby accept the terms of this Third Supplemental Debenture Indenture and the modifications of the terms of the Base Debenture Indenture as amended by the Subsequent Supplemental Debenture Indentures as declared and provided for herein, and the parties agree to perform the same upon the terms and conditions of the Base Debenture Indenture as amended by the Subsequent Supplemental Debenture Indentures, as amended hereby.

Section 3.3 Counterparts and Formal Date

This Third Supplemental Debenture Indenture shall be effective as of the date and year first set forth above. This Third Supplemental Debenture Indenture may be executed in several counterparts, each of which when so executed, shall be deemed to be an original and such counterparts together shall constitute one and the same instrument. Delivery of an executed signature page to this Third Supplemental Debenture Indenture by a party hereto by facsimile transmission or PDF shall be as effective as the delivery of a manually executed copy of this Third Supplemental Debenture Indenture by such party.

Section 3.4 Applicable Law

This Third Supplemental Debenture Indenture shall be construed and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

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IN WITNESS WHEREOF the parties hereto have executed this Third Supplemental Debenture Indenture as of the day and year first written above.

MPX INTERNATIONAL CORPORATION

By: _____

Name: W. Scott Boyes

Title: Chairman, President & CEO

AST TRUST COMPANY (CANADA)

By: _____

Name: Nelia Andrade

Title: Authorized Signatory

By: _____

Name: Francine Beauséjour

Title: Authorized Signatory

THIS FOURTH SUPPLEMENTAL DEBENTURE INDENTURE is entered into as of the 5th day of May, 2022.

BETWEEN:

MPX INTERNATIONAL CORPORATION, a company incorporated pursuant to the laws of the Province of Ontario and includes any successor corporation (hereinafter referred to as the "**Corporation**")

AND

TSX TRUST COMPANY, a trust company existing under the laws of Canada and authorized to carry on business in all Provinces of Canada (hereinafter referred to as the "**Debenture Trustee**")

WHEREAS:

- A. The Corporation and AST Trust Company (Canada) ("**AST**") entered into a debenture indenture dated June 30, 2020 (the "**Base Debenture Indenture**") providing for the issuance of Debentures in the aggregate principal amount of a minimum of US\$3,000,000 and a maximum of up to US\$3,700,000;
- B. The Corporation and AST entered into a supplemental debenture indenture dated September 16, 2020 (the "**First Supplemental Debenture Indenture**") to increase the Principal Amount under the Debenture Indenture by US\$1,300,000 to a new maximum Principal Amount of up to US\$5,000,000;
- C. The Corporation and AST entered into a second supplemental debenture indenture dated December 18, 2020 (the "**Second Supplemental Debenture Indenture**", together with the First Supplemental Debenture Indenture, the "**Subsequent Supplemental Debenture Indentures**") to increase the Principal Amount under the Debenture Indenture by US\$2,500,000 to a new maximum Principal Amount of up to US\$7,500,000;
- D. The Corporation and AST entered into a third supplemental debenture indenture dated June 24, 2021 (the "**Third Supplemental Debenture Indenture**", together with the First Supplemental Debenture Indenture and the Third Supplemental Indentures, the "**Subsequent Supplemental Debenture Indentures**") to increase the Principal Amount under the Debenture Indenture by US\$4,500,000 to a new maximum Principal Amount of up to US\$12,000,000;
- E. On or about September 1, 2021, AST amalgamated with TSX Trust Company to form "TSX Trust Company", such that pursuant to Section 11.8(5) of the Indenture, TSX Trust Company, as the successor corporation, now acts as the successor Debenture Trustee under the Indenture;
- F. As of the date hereof, the Corporation has issued 11,291 Debentures representing an aggregate principal amount of US\$11,180,000 and 111 Debentures representing an aggregate principal amount of US\$111,000 have been converted;

G. As of the date hereof, the Corporation can issue an additional 820 Debentures representing an aggregate principal amount of US\$820,000 under the terms and conditions of the Base Debenture Indenture as amended by the Subsequent Supplemental Debenture Indentures;

H. The Corporation wishes to enter into this fourth supplemental debenture indenture (this “**Fourth Supplemental Debenture Indenture**” and together with the Base Debenture Indenture and the Subsequent Supplemental Debenture Indentures, the “**Indenture**”) to amend the Base Debenture Indenture as amended by the Subsequent Supplemental Debenture Indentures to enable the Corporation to, *inter alia*, increase the principal amount of Debentures issuable under the terms and conditions of the Indenture by the aggregate principal amount of up to US\$10,000,000 to a new maximum principal amount of up to US\$22,000,000, revise the definitions of “Conversion Price” and “Maturity Date”, and satisfy the interest payments due on the Coupon Dates of September 30, 2021, December 31, 2021, March 31, 2022, June 30, 2022, September 30, 2022 and December 31, 2022 through the issuance of securities of the Corporation;

I. Pursuant to Sections 7.11 and 7.14 of the Base Debenture Indenture, the Debentureholders of at least 60% of the aggregate principal amount of the outstanding Debentures have approved, by written Extraordinary Resolution dated as of the date hereof, *inter alia*, the issue of such additional Debentures and the entering into of this Fourth Supplemental Debenture Indenture by the Corporation to give effect to the same;

J. Pursuant to Section 8.1(c) of the Base Debenture Indenture, the Corporation and the Debenture Trustee may enter into a supplemental debenture indenture giving effect to any Extraordinary Resolution passed as provided in Section 7.11 of the Base Debenture Indenture; and

K. The foregoing recitals are made as statements of fact by the Corporation and not by the Debenture Trustee;

NOW THEREFORE in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Corporation and the Debenture Trustee mutually covenant, agree and declare as follows:

ARTICLE 1 INTERPRETATION

Section 1.1 Definitions and Interpretation

In this Fourth Supplemental Debenture Indenture, except as otherwise defined herein or unless the context otherwise requires, all terms used but not defined herein (including the recitals hereto) shall have the meanings specified in the Base Debenture Indenture. This Fourth Supplemental Debenture Indenture shall, unless otherwise required, be subject to the interpretation provisions contained in Article 1 of the Base Debenture Indenture. When entered into by the parties, this Fourth Supplemental Debenture Indenture shall be supplemental to, part of and read together with the Base Debenture Indenture and the Subsequent Supplemental Debenture Indentures as a single instrument, and all of the provisions of the Base Debenture Indenture as amended by the Subsequent Supplemental Debenture Indentures, as supplemented by this Fourth Supplemental Debenture Indenture, shall apply to the Debentures.

If any term or provision contained in this Fourth Supplemental Debenture Indenture shall conflict or be inconsistent with any term or provision of the Base Debenture Indenture or the Subsequent Supplemental Debenture Indentures, the terms and provisions of this Fourth Supplemental Debenture Indenture shall govern.

ARTICLE 2
AMENDMENTS TO THE BASE DEBENTURE INDENTURE AS AMENDED BY THE
SUBSEQUENT SUPPLEMENTAL DEBENTURE INDENTURES

Section 2.1 Amendments to the Base Debenture Indenture as amended by the Subsequent Supplemental Debenture Indentures

The Base Debenture Indenture as amended by the Subsequent Supplemental Debenture Indentures is hereby amended as follows:

- (1) The second paragraph of the preamble of the Base Debenture Indenture as amended by the Subsequent Supplemental Debenture Indentures shall be deleted in its entirety and replaced with the following:

AND WHEREAS the Corporation is proposing to issue Units for a minimum of US\$3,000,000 and a maximum of up to US\$22,000,000 pursuant to the Subscription Agreements and this Indenture (as defined herein);

- (2) The definition of "Conversion Price" set out in Section 1.1 of the Base Debenture as amended by the Subsequent Supplemental Debenture Indentures shall be deleted in its entirety and replaced with the following:

"Conversion Price" means "the dollar amount for which each Common Share may be issued upon the conversion of Debentures in accordance with the provisions of this Indenture, which shall, subject to adjustment as provided for herein, be C\$0.03 per Common Share";

- (3) The definition of "Maturity Date" set out in Section 1.1 of the Base Debenture as amended by the Subsequent Supplemental Debenture Indentures shall be deleted in its entirety and replaced with the following:

"Maturity Date" means the date of maturity for the Debentures, being December 31, 2023;

- (4) Section 2.1 of the Base Debenture Indenture as amended by the Subsequent Supplemental Debenture Indentures shall be deleted in its entirety and replaced with the following:

Section 2.1 Creation and Issue of Debentures.

A minimum of US\$3,000,000 and a maximum of up to US\$22,000,000 in principal amount of Debentures are hereby created and authorized to be issued in accordance with the terms and conditions hereof. By written order of the Corporation, the Debenture Trustee shall deliver Debenture Certificates to Registered Debentureholders and record the name of the Registered Debentureholders on the Debenture register. Registration of interests in Debentures held by the Depository may be evidenced by a position appearing on the register for Debentures of the Debenture Trustee for an amount representing the aggregate number of such Debentures outstanding from time to time. Notwithstanding the above, all Debentures issued in the United States or to, or for the account or benefit of, a U.S. Person or a person within the United States will be delivered in certificated form.

- (5) Section 2.2(1) of the Base Debenture Indenture as amended by the Subsequent Supplemental Debenture Indentures shall be deleted in its entirety and replaced with the following:

Section 2.2 Terms of Debentures.

- (1) The Debentures authorized for issue immediately, in the aggregate principal amount a minimum of US\$3,000,000 and a maximum of up to US\$22,000,000, shall be designated as "12% Secured Convertible Debentures" and shall be dated as of their Issue Date and shall, subject to the terms of this Indenture, mature on the Maturity Date.
- (6) Further to Section 2.15 of the Base Debenture Indenture as amended by the Subsequent Supplemental Debenture Indentures, the payment of interest that:
- (a) was due on the Coupon Date of September 30, 2021 and remains unpaid as at the date hereof, shall be deposited as the principal amount of an advance into a short-term loan (the "**3rd Bridge Loan**") that will mature six (6) months from the date of issuance (the "**3rd Bridge Loan Maturity Date**") and bear interest at a rate of 12% per annum calculated in arrears and payable in cash on the earlier of the 3rd Bridge Loan Maturity Date or concurrently with the conversion of the 3rd Bridge Loan into Units at a conversion premium equal to ten percent (10%) of the principal amount advanced as part of the 3rd Bridge Loan such that each US\$1,000 of principal amount advanced as part of the 3rd Bridge Loan, US\$1,100 of Units will be issued. If the Bridge Loan is not converted by the Bridge Loan Maturity Date, interest shall accrue as of the Bridge Loan Maturity Date at a rate of 24% per annum calculated in arrears on the outstanding aggregate principal amount of the Bridge Loan plus accrued and unpaid interest. Any incremental interest amounts not in integrals of US\$1,000.00 shall be rounded up to the next thousand dollar increment;

- (b) was due on the Coupon Date of December 31, 2021 and remains unpaid as at the date hereof, shall be deposited as the principal amount of an advance into a short-term loan (the “**3rd Bridge Loan**”) that will mature six (6) months from the date of issuance (the “**3rd Bridge Loan Maturity Date**”) and bear interest at a rate of 12% per annum calculated in arrears and payable in cash on the earlier of the 3rd Bridge Loan Maturity Date or concurrently with the conversion of the 3rd Bridge Loan into Units at a conversion premium equal to ten percent (10%) of the principal amount advanced as part of the 3rd Bridge Loan such that each US\$1,000 of principal amount advanced as part of the 3rd Bridge Loan, US\$1,100 of Units will be issued. If the Bridge Loan is not converted by the Bridge Loan Maturity Date, interest shall accrue as of the Bridge Loan Maturity Date at a rate of 24% per annum calculated in arrears on the outstanding aggregate principal amount of the Bridge Loan plus accrued and unpaid interest. Any incremental interest amounts not in integrals of US\$1,000.00 shall be rounded up to the next thousand dollar increment;
- (c) was due on the Coupon Date of March 31, 2022 and remains unpaid as at the date hereof, shall be deposited as the principal amount of an advance into a short-term loan (the “**3rd Bridge Loan**”) that will mature six (6) months from the date of issuance (the “**3rd Bridge Loan Maturity Date**”) and bear interest at a rate of 12% per annum calculated in arrears and payable in cash on the earlier of the 3rd Bridge Loan Maturity Date or concurrently with the conversion of the 3rd Bridge Loan into Units at a conversion premium equal to ten percent (10%) of the principal amount advanced as part of the 3rd Bridge Loan such that each US\$1,000 of principal amount advanced as part of the 3rd Bridge Loan, US\$1,100 of Units will be issued. If the Bridge Loan is not converted by the Bridge Loan Maturity Date, interest shall accrue as of the Bridge Loan Maturity Date at a rate of 24% per annum calculated in arrears on the outstanding aggregate principal amount of the Bridge Loan plus accrued and unpaid interest. Any incremental interest amounts not in integrals of US\$1,000.00 shall be rounded up to the next thousand dollar increment;
- (d) is due on the Coupon Date of June 30, 2022, may be satisfied, at the sole option of the Corporation, through the issuance of Units, subject to a minimum of US\$1,000.00 or an integral multiple thereof. Any incremental interest amounts not in integrals of US\$1,000.00 shall be rounded up to the next thousand dollar increment;
- (e) is due on the Coupon Date of September 30, 2022, may be satisfied, at the sole option of the Corporation, through the issuance of Units, subject to a minimum of US\$1,000.00 or an integral multiple thereof. Any incremental interest amounts not in integrals of US\$1,000.00 shall be rounded up to the next thousand dollar increment; and

- (f) is due on the Coupon Date of December 31, 2022, may be satisfied, at the sole option of the Corporation, through the issuance of Units, subject to a minimum of US\$1,000.00 or an integral multiple thereof. Any incremental interest amounts not in integrals of US\$1,000.00 shall be rounded up to the next thousand dollar increment.

ARTICLE 3 MISCELLANEOUS PROVISIONS

Section 3.1 Confirmation of Base Debenture Indenture

On the date hereof, the Base Debenture Indenture as amended by the Subsequent Supplemental Debenture Indentures shall be supplemented in accordance with this Fourth Supplemental Debenture Indenture, and this Fourth Supplemental Debenture Indenture shall form part of the Base Debenture Indenture as amended by the Subsequent Supplemental Debenture Indentures for all purposes, and the holder of every Debenture heretofore or hereafter authenticated and delivered under the Base Debenture Indenture as amended by the Subsequent Supplemental Debenture Indentures shall be bound thereby. The Base Debenture Indenture, as supplemented by the Subsequent Supplemental Debenture Indentures and this Fourth Supplemental Debenture Indenture, shall remain in full force and effect and is in all respects ratified and confirmed.

Section 3.2 Acceptance of Duties

The parties hereby accept the terms of this Fourth Supplemental Debenture Indenture and the modifications of the terms of the Base Debenture Indenture as amended by the Subsequent Supplemental Debenture Indentures as declared and provided for herein, and the parties agree to perform the same upon the terms and conditions of the Base Debenture Indenture as amended by the Subsequent Supplemental Debenture Indentures, as amended hereby.

Section 3.3 Counterparts and Formal Date

This Fourth Supplemental Debenture Indenture shall be effective as of the date and year first set forth above. This Fourth Supplemental Debenture Indenture may be executed in several counterparts, each of which when so executed, shall be deemed to be an original and such counterparts together shall constitute one and the same instrument. Delivery of an executed signature page to this Fourth Supplemental Debenture Indenture by a party hereto by facsimile transmission or PDF shall be as effective as the delivery of a manually executed copy of this Fourth Supplemental Debenture Indenture by such party.

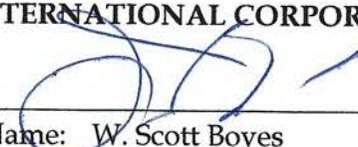
Section 3.4 Applicable Law

This Fourth Supplemental Debenture Indenture shall be construed and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF the parties hereto have executed this Fourth Supplemental Debenture Indenture as of the day and year first written above.

MPX INTERNATIONAL CORPORATION

By: 

Name: W. Scott Boyes

Title: Chairman, President & CEO

TSX TRUST COMPANY

By: 

Name: Marcus Boire

Title: Authorized Signatory

By: 

Name: Francine Beausejour

Title: Authorized Signatory

**THIS IS EXHIBIT "W" REFERRED TO IN THE
AFFIDAVIT OF JEREMY BLUMER SWORN
THE 25TH DAY OF JULY, 2022**

A handwritten signature in black ink, appearing to be 'TG', is written above a horizontal line.

THOMAS GRAY
A Commissioner for taking affidavits, etc.

SECURITY AGREEMENT

Security Agreement (as amended, modified, supplemented, restated or replaced from time to time, this “**Agreement**”) dated as of June 30, 2020 (the “**Effective Date**”) made by MPX International Corporation, a corporation existing under the laws of the Province of Ontario (“**MPXI**” or the “**Obligor**”) to and in favour of AST Trust Company (Canada), as debenture trustee under the Debenture Indenture (as defined herein) (in such capacity, together with its successors and assigns, the “**Debenture Trustee**”).

WHEREAS certain subscribers (the “**Debentureholders**”) have executed and delivered subscription agreements for secured convertible debentures created by and authorized by and issuable under the Debenture Indenture (as defined herein), as issued by MPXI on the Effective Date (the “**Secured Debentures**”);

AND WHEREAS the Secured Debentures constitute and make available to MPXI certain loan amounts that mature twenty-four (24) months from the Effective Date and bear interest at a rate of 12% per annum from the Effective Date, payable quarterly in cash in arrears pursuant to the terms and conditions of the Debenture Indenture;

AND WHEREAS the obligations of MPXI pursuant to the Secured Debentures are secured by liens on substantially all of the assets of MPXI pursuant to the Security Documents (as defined herein);

AND WHEREAS it is a condition precedent to the issuance of the Secured Debentures pursuant to the Debenture Indenture that the Obligor execute and deliver this Agreement in favour of the Debenture Trustee, on its own behalf and on behalf of the Debentureholders;

NOW THEREFORE for good and valuable consideration, the receipt of which is hereby acknowledged, the Obligor agrees, for the benefit of the Debenture Trustee, as follows:

Section 1 Defined Terms; Interpretation.

(1) As used in this Agreement, the following terms have the following meanings:

“**Collateral**” has the meaning specified in Section 2.

“**Debenture Indenture**” means the debenture indenture entered into as of the Effective Date between MPXI and the Debenture Trustee, on its own behalf and on behalf of the Debentureholders, providing for the issuance of the Secured Debentures;

“**Encumbrance**” means any mortgage, charge, pledge, hypothecation, security interest, assignment by way of security, lien (statutory or otherwise), encumbrance, conditional sale agreement, capital lease, deposit arrangement, title retention agreement, and any other agreement, trust or arrangement that in substance secures payment or performance of an obligation.

“**Event of Default**” has the meaning specified in the Debenture Indenture.

“**Expenses**” has the meaning specified in Section 3(b).

“**Person**” means a natural person, partnership, corporation, joint stock company, trust, unincorporated association, joint venture or other entity or governmental entity, and pronouns have a similarly extended meaning.

“**Pledge Agreement**” means the securities pledge agreement to be entered into as of the Effective Date between MPXI and the Debenture Trustee, on behalf of the Debentureholders, with respect to the pledge of shares of to the Debenture Trustee, on behalf of the Debentureholders.

“**Secured Obligations**” has the meaning specified in Section 3(a).

“**Security Documents**” means this Agreement, the Pledge Agreement and such further documents, instruments and other documents that may at any time be required to be provided by the Corporation to the Trustee in accordance with the terms of the Debenture Indenture.

“**Security Interest**” has the meaning specified in Section 3.

- (2) Terms defined in the *Personal Property Security Act* (Ontario) (as amended from time to time, the “**PPSA**”) or the *Securities Transfer Act, 2006* (Ontario) (“**STA**”) and used but not otherwise defined in this Agreement have the same meanings. Capitalized terms used in this Agreement but not defined have the meanings given to them in the Debenture Indenture.
- (3) In this Agreement the words “**including**”, “**includes**” and “**include**” mean “**including (or includes or include) without limitation**”. The expressions “**Section**” and other subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement. Words importing the singular number only include the plural and vice versa. The division of this Agreement into Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect its interpretation.
- (4) Any reference to this Agreement or any Security Document refers to this Agreement or such Security Document as the same may have been or may from time to time be amended, modified, extended, renewed, restated, replaced or supplemented and includes all schedules attached to it. Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules and regulations made under it as the same may have been or may from time to time be amended or re-enacted.
- (5) Any reference in this Agreement to an Encumbrance permitted by this Agreement is not intended to subordinate or postpone, and shall not be interpreted as subordinating or postponing, or as any agreement to subordinate or postpone, any Encumbrance created by any of the Security Documents to any Encumbrance permitted hereunder.

Section 2 Grant of Security.

The Obligor grants to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, a security interest in, and assign, mortgage, charge, hypothecate and pledge to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, all of the property and undertaking of the Obligor now owned or hereafter acquired and all of the property and undertaking in which the Obligor now has or hereafter acquires any interest (collectively, the “**Collateral**”) including all of the Obligor’s:

- (a) present and after acquired property;
- (b) inventory including goods held for sale, lease or resale, goods furnished or to be furnished to third parties under contracts of lease, consignment or service, goods which are raw materials or work in process, goods used in or procured for packing and materials used or consumed in the business of the Obligor;

- (c) equipment, machinery, furniture, fixtures, plant, vehicles and other goods of every kind and description and all licences and other rights and all related records, files, charts, plans, drawings, specifications, manuals and documents;
- (d) accounts due or accruing and all related agreements, books, accounts, invoices, letters, documents and papers recording, evidencing or relating to them;
- (e) money, documents of title, chattel paper, financial assets, investment property and instruments;
- (f) intangibles including all security interests, goodwill, choses in action, contracts, contract rights, licenses and other contractual benefits;
- (g) intellectual property;
- (h) all substitutions and replacements of and increases, additions and, where applicable, accessions to the property described in Section 2(a) through Section 2(g) inclusive; and
- (i) all proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in Section 2(a) through Section 2(h) inclusive, including the proceeds of such proceeds.

Section 3 Obligations Secured.

The security interest, assignment, mortgage, charge, hypothecation and pledge granted by this Agreement (collectively, the “**Security Interest**”) secures the payment and performance of:

- (a) all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by the Obligor to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, in any currency, under, in connection with or pursuant to this Agreement and any other Security Document to which the Obligor is a party, and whether incurred by the applicable Obligor alone or jointly with another or others and whether as principal, guarantor or surety and in whatever name or style (collectively, and together with the Expenses, the “**Secured Obligations**”); and
- (b) all expenses, costs and charges incurred by or on behalf of the Debenture Trustee in connection with this Agreement, the Security Interest or the Collateral, including all legal fees, court costs, receiver’s or agent’s remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling, transferring, delivering or obtaining payment for the Collateral, and of taking, defending or participating in any action or proceeding in connection with any of the foregoing matters or otherwise in connection with the Debenture Trustee’s, for its own benefit and on behalf of the Debentureholders, interest in any Collateral, whether or not directly relating to the enforcement of this Agreement or any other Security Document (collectively, the “**Expenses**”).

Section 4 Attachment.

- (1) The Obligor acknowledges that: (a) value has been given; (b) it has rights in its Collateral or the power to transfer rights in such Collateral to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, (other than after-acquired Collateral); (c) it has not agreed to postpone the time of attachment of the Security Interest; and (d) it has received a copy of this Agreement.
- (2) The Obligor will take all action that the Debenture Trustee deems advisable to cause the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, to have control over any investment property that are now or at any time become Collateral, and will: (a) deliver to and deposit with the Debenture Trustee any instruments that are Collateral; (b) cause the transfer of any instruments to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, to be registered wherever such registration may be required or advisable in the opinion of the Debenture Trustee; (c) endorse any instruments to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, or in blank or register them in the name of the Debenture Trustee or its nominee or otherwise as the Debenture Trustee may direct; and (d) deliver to the Debenture Trustee any and all consents or other documents that may be necessary to effect the transfer of any instruments to the Debenture Trustee or any third party. Notwithstanding the foregoing, and for greater certainty, the Security Interest granted hereby is subject to the terms and conditions of the Debenture Indenture and the Pledge Agreement and investment property delivered by the Obligor to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, are being held by the Debenture Trustee in trust, on a pro rata basis, on its behalf and on behalf of the Debentureholders in accordance with the terms and conditions of the Debenture Indenture and the Pledge Agreement.
- (3) The Security Interest does not extend to consumer goods.
- (4) The Security Interest does not extend or apply to the last day of the term of any lease or sublease of real property or any agreement for a lease or sublease of real property, now held or hereafter acquired by the Obligor, but the Obligor will stand possessed of any such last day upon trust to assign and dispose of it as the Debenture Trustee may reasonably direct.
- (5) To the extent that an assignment of amounts payable and other proceeds arising under or in connection with, or the grant of a security interest in any agreement, licence, permit or quota of the Obligor would result in the termination of such agreement, licence, permit or quota (each, a "**Restricted Asset**"), the Security Interest with respect to each Restricted Asset will constitute a trust created in favour of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, pursuant to which the Obligor holds as trustee all proceeds arising under or in connection with the Restricted Asset in trust for the Debenture Trustee, on its behalf and on behalf of the Debentureholders, on the following basis:
 - (a) subject to the Debenture Indenture and the Pledge Agreement, until the Security Interest is enforceable the Obligor is entitled to receive all such proceeds; and
 - (a) whenever the Security Interest is enforceable, (i) all rights of the Obligor to receive such proceeds cease and all such proceeds will be immediately paid over to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, and (ii) the Obligor will take all actions requested by the Debenture Trustee to collect and enforce payment and other rights arising under the Restricted Asset.

- (6) The Obligor will use all commercially reasonable efforts to obtain the consent of each other party to any and all Restricted Assets to the assignment of such Restricted Asset to the Debenture Trustee in accordance with this Agreement. The Obligor will also use all commercially reasonable efforts to ensure that all agreements entered into on and after the date of this Agreement expressly permit assignments of the benefits of such agreements as collateral security to the Debenture Trustee in accordance with the terms of this Agreement.

Section 5 Grant of Licence to Use Intellectual Property.

At such time as the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, is lawfully entitled to exercise its rights and remedies under Section 10 or Section 11, the Obligor grants to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, an irrevocable, nonexclusive licence (exercisable without payment of royalty or other compensation to the Obligor) to use, assign or sublicense any intellectual property in which the Obligor has rights wherever the same may be located, including in such licence access to (i) all media in which any of the licensed items may be recorded or stored, and (ii) all software and computer programs used for compilation or print-out. The license granted under this Section 5 is to enable the Debenture Trustee to exercise its rights and remedies under Section 9 through Section 17, inclusive, and for no other purpose.

Section 6 Care and Custody of Collateral.

- (1) The Debenture Trustee has no obligation to keep Collateral in its possession identifiable.
- (2) Without limiting any other rights or remedies under this Agreement, the Debenture Trustee may, upon the occurrence and during the continuance of an Event of Default, (i) notify any Person obligated on an instrument, chattel paper, security or account to make payments to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, whether or not the Obligor was previously making collections on such instruments, chattel paper or accounts, and (ii) assume control of any proceeds arising from the Collateral.
- (3) The Debenture Trustee has no obligation to collect dividends, distributions or interest payable on, or exercise any option or right in connection with, any Collateral. The Debenture Trustee has no obligation to protect or preserve any Collateral from depreciating in value or becoming worthless and is released from all responsibility for any loss of value.

Section 7 Rights of the Obligor.

- (1) Until the occurrence of an Event of Default which is continuing, the Obligor is entitled to vote the securities that are part of the Collateral and to receive all dividends and distributions on such securities. Until the occurrence of an Event of Default which is continuing, all rights of the Obligor to vote (under any proxy given by the Debenture Trustee (or its nominee), on its behalf and on behalf of the Debentureholders, or otherwise) or to receive distributions or dividends cease and all such rights become vested solely and absolutely in the Debenture Trustee.
- (2) Any distributions or dividends received by the Obligor contrary to Section 7(1) or any other moneys or property received by the Obligor after the Security Interest is enforceable will be received as trustee for the Debenture Trustee, on its behalf and on behalf of the Debentureholders, and shall be immediately paid over to the Debenture Trustee, on its behalf and on behalf of the Debentureholders.

Section 8 Expenses.

The Obligor is liable for and will pay on demand by the Debenture Trustee any and all Expenses.

Section 9 Enforcement.

The Security Interest becomes and is enforceable against the Obligor upon the occurrence and during the continuance of an Event of Default.

Section 10 Remedies.

Upon the occurrence and during the continuance of an Event of Default, the Debenture Trustee, on its behalf and on behalf of the Debentureholders, may realize upon the Collateral and enforce the rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, by:

- (a) entry onto any premises where Collateral consisting of tangible personal property may be located;
- (b) entry into possession of the Collateral by any method permitted by law;
- (c) sale, grant of options to purchase, or lease of all or any part of the Collateral;
- (d) holding, storing and keeping idle or operating all or any part of the Collateral;
- (e) exercising and enforcing all rights and remedies of a holder of the Collateral as if the Debenture Trustee, on its behalf and on behalf of the Debentureholders, were the absolute owner thereof (including, if necessary, causing the Collateral to be registered in the name of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, or its nominee if not already done);
- (f) collection of any proceeds arising in respect of the Collateral;
- (g) collection, realization or sale of, or other dealing with, accounts;
- (h) license or sublicense, whether on an exclusive or nonexclusive basis, of any intellectual property for such term and on such conditions and in such manner as the Debenture Trustee in its sole judgment determines (taking into account such provisions as may be necessary to protect and preserve such intellectual property);
- (i) instruction or order to any issuer or securities intermediary pursuant to any control the Debenture Trustee has over the Collateral;
- (j) instruction to any bank to transfer all moneys constituting Collateral held by such bank to an account maintained with or by the Debenture Trustee;
- (k) appointment by instrument in writing of a receiver (which term as used in this Agreement includes a receiver and manager) or agent of all or any part of the Collateral and removal or replacement from time to time of any receiver or agent;
- (l) institution of proceedings in any court of competent jurisdiction for the appointment of a receiver of all or any part of the Collateral;

- (m) institution of proceedings in any court of competent jurisdiction for sale or foreclosure of all or any part of the Collateral;
- (n) filing of proofs of claim and other documents to establish claims to the Collateral in any proceeding relating to the Obligor; and
- (o) any other remedy or proceeding authorized or permitted under the PPSA or otherwise by law or equity.

Section 11 Additional Rights.

In addition to the remedies set forth in Section 10 and elsewhere in this Agreement, the Debenture Trustee may, whenever the Security Interest upon the occurrence and during the continuance of an Event of Default:

- (a) require the Obligor, at the Obligor's expense, to assemble the Collateral at a place or places designated by notice in writing and the Obligor agrees to so assemble the Collateral immediately upon receipt of such notice;
- (b) require the Obligor, by notice in writing, to disclose to the Debenture Trustee the location or locations of the Collateral and the Obligor agrees to promptly make such disclosure when so required;
- (c) repair, process, modify, complete or otherwise deal with the Collateral and prepare for the disposition of the Collateral, whether on the premises of the Obligor or otherwise;
- (d) redeem any prior security interest against any Collateral, procure the transfer of such security interest to itself, or settle and pass the accounts of the prior mortgagee, chargee or encumbrancer (any accounts to be conclusive and binding on the Obligor);
- (e) pay any liability secured by any Encumbrance against any Collateral (the Obligor will immediately on demand reimburse the Debenture Trustee for all such payments);
- (f) carry on all or any part of the business of the Obligor and, to the exclusion of all others including the Obligor, enter upon, occupy and use all or any of the premises, buildings, and other property of or used by the Obligor for such time as the Debenture Trustee sees fit, free of charge, and the Debenture Trustee shall not be liable to the Obligor for any act, omission or negligence in so doing or for any rent, charges, depreciation or damages incurred in connection with or resulting from such action;
- (g) borrow for the purpose of carrying on the business of the Obligor or for the maintenance, preservation or protection of the Collateral and grant a security interest in the Collateral, whether or not in priority to the Security Interest, to secure repayment;
- (h) commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and give good and valid receipts and discharges in respect of the Collateral and compromise or give time for the payment or performance of all or any part of the accounts or any other obligation of any third party to the Obligor; and

- (i) at any public sale, and to the extent permitted by law on any private sale, bid for and purchase any or all of the Collateral offered for sale and upon compliance with the terms of such sale, hold, retain and dispose of such Collateral without any further accountability to the Obligor or any other Person with respect to such holding, retention or disposition, except as required by law. In any such sale to the Debenture Trustee, the Debenture Trustee may, for the purpose of making payment for all or any part of the Collateral so purchased, use any claim for Secured Obligations then due and payable to it as a credit against the purchase price.

Section 12 Exercise of Remedies.

The remedies under Section 10 and Section 11 may be exercised from time to time separately or in combination and are in addition to, and not in substitution for, any other rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, however arising or created, including without limitation as may arise or be created under the Debenture Indenture. The Debenture Trustee is not bound to exercise any right or remedy, and the exercise of rights and remedies is without prejudice to the rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, in respect of the Secured Obligations including the right to claim for any deficiency.

Section 13 Receiver's Powers.

- (1) Any receiver appointed by the Debenture Trustee shall be vested with the rights and remedies which could have been exercised by the Debenture Trustee, on its behalf and on behalf of the Debentureholders, in respect of the Obligor or the Collateral and such other powers and discretions as are granted in the instrument of appointment and any supplemental instruments. The identity of the receiver, its replacement and its remuneration shall be within the sole and unfettered discretion of the Debenture Trustee.
- (2) Any receiver appointed by the Debenture Trustee shall act as agent for the Debenture Trustee for the purposes of taking possession of the Collateral, but otherwise and for all other purposes (except as provided below), as agent for the Obligor. The receiver may sell, lease, or otherwise dispose of Collateral as agent for the Obligor or as agent for the Debenture Trustee as the Debenture Trustee may determine in its discretion. The Obligor agree to ratify and confirm all actions of the receiver acting as agent for the Obligor, and to release and indemnify the receiver in respect of all such actions.
- (3) The Debenture Trustee, in appointing or refraining from appointing any receiver, shall not incur liability to the receiver, the Obligor or otherwise and shall not be responsible for any misconduct or negligence of the receiver.

Section 14 Appointment of Attorney.

The Obligor hereby irrevocably constitute and appoint the Debenture Trustee (and any officer of the Debenture Trustee), on its behalf and on behalf of the Debentureholders, the true and lawful attorney of the Obligor. As the attorney of the Obligor, the Debenture Trustee has the power to exercise for and in the name of the Obligor with full power of substitution, upon the occurrence and during the continuance of an Event of Default, any of the Obligor's right (including the right of disposal), title and interest in and to the Collateral including the execution, endorsement, delivery and transfer of the Collateral to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, its nominees or transferees, and the Debenture Trustee and its nominees or transferees are hereby empowered to exercise all rights and powers and to perform all acts of ownership with respect to the Collateral to the same extent as the Obligor might do. This

power of attorney is irrevocable, is coupled with an interest, has been given for valuable consideration (the receipt and adequacy of which is acknowledged) and survives, and does not terminate upon, the bankruptcy, dissolution, winding up or insolvency of the Obligor. This power of attorney extends to and is binding upon the Obligor's successors and permitted assigns.

Section 15 Dealing with the Collateral.

- (1) The Debenture Trustee shall not be obliged to exhaust its recourse against the Obligor or any other Person or against any other security it may hold in respect of the Secured Obligations before realizing upon or otherwise dealing with the Collateral in such manner as the Debenture Trustee may consider desirable.
- (2) The Debenture Trustee may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Obligor and with other Persons, sureties or securities as it may see fit without prejudice to the Secured Obligations, the liability of the Obligor or the rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, in respect of the Collateral.
- (3) Except as otherwise provided by law or this Agreement, the Debenture Trustee shall not be:
(a) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral; (b) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or for the purpose of preserving any rights of any Persons in respect of the Collateral; (c) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal with the Collateral; or (d) bound to protect the Collateral from depreciating in value or becoming worthless.

Section 16 Standards of Sale.

Without prejudice to the ability of the Debenture Trustee to dispose of the Collateral in any manner which is commercially reasonable, the Obligor acknowledges that:

- (a) the Collateral may be disposed of in whole or in part;
- (b) the Collateral may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (c) any assignee of such Collateral may be the Debenture Trustee or a customer of the Debenture Trustee;
- (d) any sale conducted by the Debenture Trustee will be at such time and place, on such notice and in accordance with such procedures as the Debenture Trustee, in its sole discretion, may deem advantageous;
- (e) the Collateral may be disposed of in any manner and on any terms necessary to avoid violation of applicable law (including compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that the prospective bidders and purchasers have certain qualifications, and restrict the prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of the Collateral) or in order to obtain any required approval of the disposition (or of the resulting purchase) by any governmental or regulatory authority or official;

- (f) a disposition of Collateral may be on such terms and conditions as to credit or otherwise as the Debenture Trustee, in its sole discretion, may deem advantageous; and
- (g) the Debenture Trustee may establish an upset or reserve bid or price in respect of the Collateral.

Section 17 Dealings by Third Parties.

- (1) No Person dealing with the Debenture Trustee or an agent or receiver shall be required to determine (i) whether the Security Interest has become enforceable, (ii) whether the powers which such Person is purporting to exercise have become exercisable, (iii) whether any money remains due to the Debenture Trustee by the Obligor, (iv) the necessity or expediency of the stipulations and conditions subject to which any sale or lease is made, (v) the propriety or regularity of any sale or other dealing by the Debenture Trustee with the Collateral, or (vi) how any money paid to the Debenture Trustee has been applied.
- (2) Any *bona fide* purchaser of all or any part of the Collateral from the Debenture Trustee or any receiver or agent shall hold the Collateral absolutely, free from any claim or right of whatever kind, including any equity of redemption, of the Obligor, which it specifically waives (to the fullest extent permitted by law) as against any such purchaser together with all rights of redemption, stay or appraisal which the Obligor has or may have under any rule of law or statute now existing or hereafter adopted.

Section 18 Representations, Warranties and Covenants.

The Obligor represents and warrants and covenants and agrees, acknowledging and confirming that the Debenture Trustee, on its behalf and on behalf of the Debentureholders, is relying on such representations, warranties, covenants and agreements, that:

- (1) **Continuous Perfection.** Schedule “A” sets out the Obligor’s: (a) place of business or, if more than one, chief executive office: (b) registered office; and (c) jurisdiction of organization. The Obligor will not change the location of its place of business or chief executive office, as the case may be, registered office or jurisdiction of organization without providing at least thirty (30) days prior written notice to the Debenture Trustee. The Collateral, to the extent not delivered to the Debenture Trustee pursuant to Section 4, is kept and will be kept at those locations listed on Schedule “A”, and the Obligor will not remove the Collateral from such locations, without providing at least thirty (30) days prior written notice to the Debenture Trustee, provided that Collateral may be moved to another location as long as such other location is in a jurisdiction in which the Debenture Trustee has a valid and perfected first ranking security interest in the Collateral. The Obligor will not change its name in any manner without providing at least thirty (30) days prior written notice to the Debenture Trustee.

Section 19 General.

- (1) This Agreement is subject in its entirety to the terms and conditions of the Debenture Indenture and the Pledge Agreement, as applicable.
- (2) Any notice, direction or other communication to be given under this Agreement shall be in writing and given in accordance with the Debenture Indenture.

- (3) The Security Interest shall be discharged upon, but only upon: (a) full and indefeasible payment and performance of the Secured Obligations; and (b) the Debenture Trustee, on its own behalf and on behalf of the Debentureholders, having no commitments under any Security Document. Upon discharge of the Security Interest and at the request and expense of the Obligor, the Debenture Trustee shall execute and deliver to the Obligor such releases, discharges, financing statements and other documents or instruments as the Obligor may reasonably require and the Debenture Trustee will redeliver to the Obligor, or as the Obligor may otherwise direct the Debenture Trustee, any Collateral in its possession.
- (4) This Agreement does not operate by way of merger of any of the Secured Obligations and no judgment recovered by the Debenture Trustee will operate by way of merger of, or in any way affect, the Security Interest, which is in addition to, and not in substitution for, any other security now or hereafter held by the Debenture Trustee, on its own behalf or on behalf of the Debentureholders, in respect of the Secured Obligations. The representations, warranties and covenants of the Obligor in this Agreement survive the execution and delivery of this Agreement and any advances made hereunder. Notwithstanding any investigation made by or on behalf of the Debenture Trustee, the covenants, representations and warranties continue in full force and effect.
- (5) The Obligor will do all acts and things and execute and deliver, or cause to be executed and delivered, all agreements, documents and instruments that the Debenture Trustee may require and take all further steps relating to the Collateral or any other property or assets of the Obligor that the Debenture Trustee may require for: (a) protecting the Collateral; (b) perfecting, preserving and protecting the Security Interest; and (c) exercising all powers, authorities and discretions conferred upon the Debenture Trustee. Upon the occurrence and during the continuance of an Event of Default, the Obligor will do all acts and things and execute and deliver all documents and instruments that the Debenture Trustee may require for facilitating the sale or other disposition of the Collateral in connection with its realization.
- (6) This Agreement is in addition to, without prejudice to and supplemental to all other security now held or which may hereafter be held by the Debenture Trustee.
- (7) This Agreement shall be binding on the Obligor, its respective successors and assigns, and enures to the benefit of the Debenture Trustee, on its own behalf and on behalf of the Debenture Trustee, and its successors and assigns. In any action brought by an assignee to enforce any such right, the Obligor shall not assert against the assignee any claim or defence which the Obligor has or may have against the Debenture Trustee. The Obligor may not assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Debenture Trustee which may be unreasonably withheld.
- (8) The Obligor acknowledges and agrees that in the event it amalgamates with any other corporation or corporations, it is the intention of the parties that the Security Interest: (a) extends to: (i) all of the property and undertaking that any of the amalgamating corporations then owns; (ii) all of the property and undertaking that the amalgamated corporation thereafter acquires; (iii) all of the property and undertaking in which any of the amalgamating corporations then has any interest; and (iv) all of the property and undertaking in which the amalgamated corporation thereafter acquires any interest; and (b) secures the payment and performance of all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by each of the amalgamating corporations and the amalgamated corporation to the Debenture Trustee in any currency, however or wherever incurred, and whether incurred alone or jointly with another or others and whether as principal, guarantor or surety and whether incurred prior to, at the time of or

subsequent to the amalgamation. The Security Interest attaches to the additional collateral at the time of amalgamation and to any collateral thereafter owned or acquired by the amalgamated corporation when such becomes owned or is acquired. Upon any such amalgamation, the defined term “**Obligor**” means, collectively, each of the amalgamating corporations and the amalgamated corporation, the defined term “**Collateral**” means all of the property and undertaking and interests described in (a) above, and the defined term “**Secured Obligations**” means the obligations described in (b) above.

- (9) If any court of competent jurisdiction determines any provision of this Agreement to be illegal, invalid or unenforceable, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.
- (10) This Agreement may only be amended, supplemented or otherwise modified by written agreement executed by the Debenture Trustee and the Obligor.
- (11) No consent or waiver by the Debenture Trustee in respect of this Agreement is binding unless made in writing and signed by an authorized officer of the Debenture Trustee. Any consent or waiver given under this Agreement is effective only in the specific instance and for the specific purpose for which given. No waiver of any of the provisions of this Agreement constitutes a waiver of any other provision. A failure or delay on the part of the Debenture Trustee in exercising a right under this Agreement does not operate as a waiver of, or impair, any right of the Debenture Trustee however arising. A single or partial exercise of a right on the part of the Debenture Trustee does not preclude any other or further exercise of that right or the exercise of any other right by the Debenture Trustee.
- (12) This Agreement will be governed by, interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

[Signature page follows]

IN WITNESS WHEREOF the Obligor has executed this Agreement.

MPX INTERNATIONAL CORPORATION

By: _____

Name: W. Scott Boyes

Title: Chairman, President and Chief Executive
Officer and Director

SCHEDULE "A"
RELEVANT JURISDICTIONS AND LOCATIONS

Jurisdiction of Organization: Ontario

Registered Address: Yonge Norton Centre
5255 Yonge Street, Suite 701
Toronto, Ontario M2X 6P4

Other Locations: 555 Legget Drive, Unit 536
Kanata, Ontario K2K 3B8

**THIS IS EXHIBIT "X" REFERRED TO IN THE
AFFIDAVIT OF JEREMY BLUMER SWORN
THE 25TH DAY OF JULY, 2022**

A handwritten signature in black ink, appearing to be 'TG' with a long horizontal stroke extending to the right.

THOMAS GRAY
A Commissioner for taking affidavits, etc.

SECURITIES PLEDGE AGREEMENT

Securities Pledge Agreement (as amended, modified, supplemented, restated or replaced from time to time, this “**Agreement**”) dated as of June 30, 2020 made by MPX International Corporation, a corporation existing under the laws of the Province of Ontario (together with its successors and permitted assigns, the “**Pledgor**”) to and in favour of AST Trust Company (Canada), as debenture trustee under the Debenture Indenture (as defined herein) (in such capacity, together with its successors and assigns, the “**Debenture Trustee**”).

WHEREAS certain subscribers (the “**Debentureholders**”) have executed and delivered subscription agreements for secured convertible debentures created by and authorized by and issuable under the Debenture Indenture (as defined herein), as issued by MPXI on the Effective Date (the “**Secured Debentures**”);

AND WHEREAS the Secured Debentures constitute and make available to MPXI certain loan amounts that mature twenty-four (24) months from the Effective Date and bear interest at a rate of 12% per annum from the Effective Date, payable quarterly in cash in arrears pursuant to the terms and conditions of the Debenture Indenture;

AND WHEREAS the obligations of the Corporation pursuant to the Secured Debentures are secured by liens on substantially all of the assets of the Corporation pursuant to the Security Documents;

AND WHEREAS it is a condition precedent to the issuance of the Secured Debentures pursuant to the Debenture Indenture that the Obligors execute and deliver this Agreement in favour of the Debenture Trustee, on its own behalf and on behalf of the Debentureholders;

NOW THEREFORE for good and valuable consideration, the receipt of which is hereby acknowledged, the Pledgor agrees, for the benefit of the Debenture Trustee, as follows:

Section 1 Defined Terms.

(1) As used in this Agreement, the following terms have the following meanings:

“**Collateral**” has the meaning specified in Section 2.

“**Debenture Indenture**” means the debenture indenture entered into as of the Effective Date between the Pledgor and the Debenture Trustee, on its own behalf and on behalf of the Debentureholders, providing for the issuance of the Secured Debentures.

“**Encumbrance**” means any mortgage, charge, pledge, hypothecation, security interest, assignment by way of security, lien (statutory or otherwise), encumbrance, conditional sale agreement, capital lease, deposit arrangement, title retention agreement, and any other agreement, trust or arrangement that in substance secures payment or performance of an obligation.

“**Event of Default**” has the meaning specified in the Debenture Indenture.

“**Expenses**” has the meaning specified in Section 3(b).

“**Person**” means a natural person, partnership, corporation, joint stock company, trust, unincorporated association, joint venture or other entity or governmental entity, and pronouns have a similarly extended meaning.

“**Secured Obligations**” has the meaning specified in Section 3(a).

“**Security Agreement**” means the security agreement to be entered into as of the Effective Date granting a security interest over the assets of the Corporation in favour of the Debenture Trustee, on behalf of the Debentureholders.

“**Security Documents**” means this Agreement, the Security Agreement and such further documents, instruments and other documents that may at any time be required to be provided by the Corporation to the Trustee in accordance with the terms of the Debenture Indenture.

“**Security Interest**” has the meaning specified in Section 3.

“**Subsidiaries**” means 2702148 Ontario Inc., BioCannabis Products Ltd., Canveda Inc., Holyworld SA, MPX Australia Pty. Ltd., MPXI Alberta Corporation, MPXI Malta Holding Limited, MPXI Malta Operations Limited, MPXI UK Limited, Salus BioPharma Corporation, Spartan Wellness Corporation and The CinG-X Corporation.

- (2) Terms defined in the *Personal Property Security Act (Ontario)* or the *Securities Transfer Act, 2006 (Ontario)* (“**STA**”) and used but not otherwise defined in this Agreement have the same meanings. Capitalized terms used in this Agreement but not defined have the meanings given to them in the Debenture Indenture.
- (3) In this Agreement the words “**including**”, “**includes**” and “**include**” mean “**including (or includes or include) without limitation**”. The expressions “**Section**” and other subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement. Words importing the singular number only include the plural and vice versa. The division of this Agreement into Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect its interpretation.
- (4) Any reference to this Agreement or any Security Document refers to this Agreement or such Security Document as the same may have been or may from time to time be amended, modified, extended, renewed, restated, replaced or supplemented, and includes all schedules attached to it. Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules and regulations made under it as the same may have been or may from time to time be amended or re-enacted.
- (5) Any reference in this Agreement to an Encumbrance permitted by this Agreement is not intended to subordinate or postpone, and shall not be interpreted as subordinating or postponing, or as an agreement to subordinate or postpone, any Encumbrance created by any of the Security Documents to any Encumbrance permitted hereunder.

Section 2 Grant of Security.

The Pledgor grants to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, a security interest in, and assigns, mortgages, charges, hypothecates and pledges to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, the following (collectively, the “**Collateral**”):

- (a) the securities issued by each of the Subsidiaries to or for the benefit of the Pledgor from time to time, including such securities listed in Schedule “A”, as such schedule may be amended, supplemented or modified from time to time, all security certificates and other instruments representing such securities and all rights and claims of the Pledgor in such securities;
- (b) all substitutions and replacements of, increases and additions to the property described in Section 2(a), including any consolidation, subdivision, reclassification or stock dividend; and
- (c) all proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in Section 2(a) and Section 2(b), including the proceeds of such proceeds.

Section 3 Secured Obligations.

The security interest, assignment, mortgage, charge, hypothecation and pledge granted by this Agreement (collectively, the “**Security Interest**”) secures the payment and performance of:

- (a) all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by the Pledgor to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, in any currency, under, in connection with or pursuant to the Guarantee (collectively, and together with the Expenses, the “**Secured Obligations**”); and
- (b) all expenses, costs and charges incurred by or on behalf of the Debenture Trustee in connection with this Agreement, the Guarantee, the Security Interest or the Collateral, including all legal fees, court costs, receiver’s or agent’s remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling, transferring, delivering or obtaining payment for the Collateral, and of taking, defending or participating in any action or proceeding in connection with any of the foregoing matters or otherwise in connection with the Debenture Trustee’s, on its behalf and on behalf of the Debentureholders, interest in any Collateral, whether or not directly relating to the enforcement of this Agreement or any other Security Document (collectively, the “**Expenses**”).

Section 4 Attachment.

- (1) The Pledgor acknowledges that: (a) value has been given; (b) it has rights in the Collateral (other than after-acquired Collateral); (c) it has not agreed to postpone the time of attachment of the Security Interest; and (d) it has received a copy of this Agreement.
- (2) All certificates representing securities in the capital of each of the Subsidiaries held by the Pledgor on the date of this Agreement have been delivered to the Trustee. Notwithstanding the foregoing, and for greater certainty, the Security Interest granted hereby is subject to the terms and conditions of the Security Agreement and the securities (and stock transfer powers) delivered by the Pledgor to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, are being held by the Debenture Trustee in trust, on a pro rata basis, on its behalf and on behalf of the Debentureholders, in accordance with the terms and conditions of the Security Agreement.

Section 5 Care and Custody of Collateral.

- (1) Without limiting any other rights or remedies under this Agreement, the Debenture Trustee may, upon the occurrence and during the continuance of an Event of Default: (a) notify any Person obligated on Collateral to make payments to the Debenture Trustee; and (b) assume control of any dividends, distributions or proceeds arising from the Collateral.
- (2) The Debenture Trustee has no obligation to collect dividends, distributions or interest payable on, or exercise any option or right in connection with, any securities. The Debenture Trustee has no obligation to protect or preserve any securities from depreciating in value or becoming worthless and is released from all responsibility for any loss of value. In the physical keeping of any securities, the Debenture Trustee is only obliged to exercise the same degree of care as it would exercise with respect to its own securities kept at the same place.

Section 6 Rights of the Pledgor.

- (1) Until the occurrence of an Event of Default which is continuing, the Pledgor is entitled to vote the securities that are part of the Collateral and to receive all dividends and distributions on such securities. Subject to the Debenture Indenture and Section 4(2), upon the occurrence and during the continuance of an Event of Default, all rights of the Pledgor to vote (under any proxy given by the Debenture Trustee (or its nominee) or otherwise) or to receive distributions or dividends cease and all such rights become vested solely and absolutely in the Debenture Trustee.
- (2) Subject to Section 4(2), any distributions or dividends received by the Pledgor contrary to Section 6(1) or any other moneys or property received by the Pledgor after the Security Interest is enforceable will be received as trustee for the Debenture Trustee and shall be immediately paid over to the Debenture Trustee.

Section 7 Expenses.

The Pledgor is liable for and will pay on demand by the Debenture Trustee any and all Expenses.

Section 8 Enforcement.

The Security Interest becomes and is enforceable against the Pledgor upon the occurrence and during the continuance of an Event of Default.

Section 9 Remedies.

Whenever the Security Interest is enforceable, the Debenture Trustee may realize upon the Collateral and enforce the rights of the Debenture Trustee by:

- (a) realizing upon or otherwise disposing of or contracting to dispose of the Collateral by sale, transfer or delivery;
- (b) exercising and enforcing all rights and remedies of a holder of the securities as if the Debenture Trustee were the absolute owner thereof (including, if necessary, causing the Collateral to be registered in the name of the Debenture Trustee or its nominee if not already done);
- (c) collection of any proceeds arising in respect of the Collateral;

- (d) instruction to any securities intermediary which has entered into a control agreement with the Debenture Trustee to transfer all Collateral held by such securities intermediary to an account maintained with or by the Debenture Trustee;
- (e) appointment by instrument in writing of a receiver (which term as used in this Agreement includes a receiver and manager) or agent of all or any part of the Collateral and removal or replacement from time to time of any receiver or agent;
- (f) institution of proceedings in any court of competent jurisdiction for the appointment of a receiver of all or any part of the Collateral; and
- (g) any other remedy or proceeding authorized or permitted under the *Personal Property securities Act* (Ontario) or otherwise by law or equity.

Section 10 Exercise of Remedies.

The remedies under Section 9 may be exercised from time to time separately or in combination and are in addition to, and not in substitution for, any other rights of the Debenture Trustee however arising or created, including without limitation as may arise or be created under the Debenture Indenture. The Debenture Trustee is not bound to exercise any right or remedy, and the exercise of rights and remedies is without prejudice to the rights of the Debenture Trustee in respect of the Secured Obligations including the right to claim for any deficiency.

Section 11 Receiver's Powers.

- (1) Any receiver appointed by the Debenture Trustee is vested with the rights and remedies which could have been exercised by the Debenture Trustee in respect of the Pledgor or the Collateral and such other powers and discretions as are granted in the instrument of appointment and any supplemental instruments. The identity of the receiver, its replacement and its remuneration are within the sole and unfettered discretion of the Debenture Trustee.
- (2) Any receiver appointed by the Debenture Trustee will act as agent for the Debenture Trustee for the purposes of taking possession of the Collateral, but otherwise and for all other purposes (except as provided below), as agent for the Pledgor. The receiver may sell, transfer, deliver or otherwise dispose of Collateral as agent for the Pledgor or as agent for the Debenture Trustee as the Debenture Trustee may determine in its discretion. The Pledgor agrees to ratify and confirm all actions of the receiver acting as agent for the Pledgor, and to release and indemnify the receiver in respect of all such actions.
- (3) The Debenture Trustee, in appointing or refraining from appointing any receiver, does not incur liability to the receiver, the Pledgor or otherwise and is not responsible for any misconduct or negligence of such receiver.

Section 12 Appointment of Attorney.

The Pledgor hereby irrevocably constitutes and appoints the Debenture Trustee (and any officer of the Debenture Trustee) the true and lawful attorney of the Pledgor. As the attorney of the Pledgor, the Debenture Trustee has the power to exercise for and in the name of the Pledgor with full power of substitution, upon the occurrence and during the continuance of an Event of Default, any of the Pledgor's right (including the right of disposal), title and interest in and to the Collateral including the execution, endorsement, delivery and transfer of the Collateral to the Debenture Trustee, its nominees or transferees, and the Debenture Trustee and its nominees or transferees are hereby empowered to exercise all rights and powers and to perform all acts of ownership with respect to the Collateral to the same extent as the Pledgor might do. This power of attorney is irrevocable, is coupled with an interest, has been given for valuable consideration (the receipt and adequacy of which is acknowledged) and survives, and does not terminate upon, the bankruptcy, dissolution, winding up or insolvency of the Pledgor. This power of attorney extends to and is binding upon the Pledgor's successors and permitted assigns.

Section 13 Dealing with the Collateral.

- (1) The Debenture Trustee is not obliged to exhaust its recourse against the Pledgor or any other Person or against any other security it may hold in respect of the Secured Obligations before realizing upon or otherwise dealing with the Collateral in such manner as the Debenture Trustee may consider desirable.
- (2) The Debenture Trustee may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Pledgor and with other Persons, sureties or securities as it may see fit without prejudice to the Secured Obligations, the liability of the Pledgor or the rights of the Debenture Trustee in respect of the Collateral.
- (3) Except as otherwise provided by law or this Agreement, the Debenture Trustee is not: (a) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral; (b) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or for the purpose of preserving any rights of any Persons in respect of the Collateral; (c) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal with the Collateral; or (d) bound to protect the Collateral from depreciating in value or becoming worthless.

Section 14 Standards of Sale.

Without prejudice to the ability of the Debenture Trustee to dispose of the Collateral in any manner which is commercially reasonable, the Pledgor acknowledges that:

- (a) the Collateral may be disposed of in whole or in part;
- (b) the Collateral may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (c) any assignee of such Collateral may be the Debenture Trustee or a customer of any such Person;
- (d) any sale conducted by the Debenture Trustee will be at such time and place, on such notice and in accordance with such procedures as the Debenture Trustee, in its sole discretion, may deem advantageous;

- (e) the Collateral may be disposed of in any manner and on any terms necessary to avoid violation of applicable law (including compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that the prospective bidders and purchasers have certain qualifications, and restrict the prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of the Collateral) or in order to obtain any required approval of the disposition (or of the resulting purchase) by any governmental or regulatory authority or official;
- (f) a disposition of the Collateral may be on such terms and conditions as to credit or otherwise as the Debenture Trustee, in its sole discretion, may deem advantageous; and
- (g) the Debenture Trustee may establish an upset or reserve bid or price in respect of the Collateral.

Section 15 Dealings by Third Parties.

- (1) No Person dealing with the Debenture Trustee or an agent or receiver is required to determine: (a) whether the Security Interest has become enforceable; (b) whether the powers which such Person is purporting to exercise have become exercisable; (c) whether any money remains due to the Debenture Trustee by the Pledgor; (d) the necessity or expediency of the stipulations and conditions subject to which any sale or lease is made; (e) the propriety or regularity of any sale or other dealing by the Debenture Trustee with the Collateral; or (f) how any money paid to Debenture Trustee has been applied.
- (2) Any *bona fide* purchaser of all or any part of the Collateral from the Debenture Trustee or any receiver or agent will hold the Collateral absolutely, free from any claim or right of whatever kind, including any equity of redemption, of the Pledgor, which it specifically waives (to the fullest extent permitted by law) as against any such purchaser together with all rights of redemption, stay or appraisal which the Pledgor has or may have under any rule of law or statute now existing or hereafter adopted.

Section 16 General.

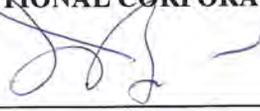
- (1) This Agreement is subject in its entirety to the terms and conditions of the Debenture Indenture and the Security Agreement, as applicable.
- (2) Any notices, directions or other communications provided for in this Agreement must be in writing and given in accordance with the Debenture Indenture.
 - (a) The Security Interest will be discharged upon, but only upon: (a) full and indefeasible payment and performance of the Secured Obligations; and (b) the Debenture Trustee having no obligations under any Security Document. Upon discharge of the Security Interest and at the request and expense of the Pledgor, the Debenture Trustee will execute and deliver to the Pledgor such releases, discharges, financing statements and other documents or instruments as the Pledgor may reasonably require and the Debenture Trustee will redeliver to the Pledgor, or as the Pledgor may otherwise direct the Debenture Trustee, any Collateral in its possession.

- (3) This Agreement does not operate by way of merger of any of the Secured Obligations and no judgment recovered by the Debenture Trustee will operate by way of merger of, or in any way affect, the Security Interest, which is in addition to, and not in substitution for, any other security now or hereafter held by the Debenture Trustee in respect of the Secured Obligations. The representations, warranties and covenants of the Pledgor in this Agreement survive the execution and delivery of this Agreement. Notwithstanding any investigation made by or on behalf of the Debenture Trustee the covenants, representations and warranties continue in full force and effect.
- (4) The Pledgor will do all acts and things and execute and deliver, or cause to be executed and delivered, all agreements, documents and instruments that the Debenture Trustee may require, and take all further steps relating to the Collateral or any other property or assets of the Pledgor that the Debenture Trustee may require for: (a) protecting the Collateral; (b) perfecting the Security Interest; and (c) exercising all powers, authorities and discretions conferred upon the Debenture Trustee. Upon the occurrence and during the continuance of an Event of Default, the Pledgor will do all acts and things and execute and deliver all documents and instruments that the Debenture Trustee may require for facilitating the sale or other disposition of the Collateral in connection with its realization.
- (5) This Agreement is in addition to, without prejudice to and supplemental to all other security now held or which may hereafter be held by the Debenture Trustee, on its behalf and on behalf of the Debentureholders.
- (6) This Agreement is binding on the Pledgor, its successors and assigns, and enures to the benefit of the Debenture Trustee and its successors and assigns. In any action brought by an assignee to enforce any such right or remedy, the Pledgor will not assert against the assignee any claim or defence which the Pledgor now has or may have against the Debenture Trustee. The Pledgor may not assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Debenture Trustee which may be unreasonably withheld.
- (7) If any court of competent jurisdiction, determines any provision of this Agreement to be illegal, invalid or unenforceable, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.
- (8) This Agreement may only be amended, supplemented or otherwise modified by written agreement executed by the Debenture Trustee and the Pledgor.
- (9) No consent or waiver by the Debenture Trustee in respect of this Agreement is binding unless made in writing and signed by an authorized officer of the Debenture Trustee. Any consent or waiver given under this Agreement is effective only in the specific instance and for the specific purpose for which given. No waiver of any of the provisions of this Agreement constitutes a waiver of any other provision. A failure or delay on the part of the Debenture Trustee in exercising a right under this Agreement does not operate as a waiver of, or impair, any right of the Debenture Trustee however arising. A single or partial exercise of a right on the part of the Debenture Trustee does not preclude any other or further exercise of that right or the exercise of any other right by the Debenture Trustee.
- (10) This Agreement will be governed by, interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

[Signature page follows]

IN WITNESS WHEREOF the Pledgor has executed this Agreement.

MPX INTERNATIONAL CORPORATION

By: 

Name: _____

Title:

**SCHEDULE “A”
SECURITIES**

<u>Pledged Company</u>	<u>Class of Securities</u>	<u>Number of Securities</u>	<u>% of Issued Securities</u>	<u>Certificate Number</u>
2702148 Ontario Inc.	Common	2,000	20%	7
	Common	8,000	80%	8
BioCannabis Products Ltd.	Common	1,000	100%	3
Canveda Inc.	Common	155,235	100%	COM-36
Holyworld SA	Restricted	1,000,000	100%	1
MPX Australia Pty. Ltd.	Ordinary	25,000,000	50%	3
	Ordinary	500,000	1%	5
	Ordinary	24,500,000	49%	6
MPXI Alberta Corporation	Common	100	100%	C-1
MPXI Malta Holding Limited	Ordinary	1,200	100%	
MPXI Malta Operations Limited	Ordinary Class A	160,000	80%	1 to 160,000
MPXI UK Limited	Ordinary	100	100%	1
Salus BioPharma Corporation	Common	100	100%	C-001
Spartan Wellness Corporation	Class A Common	5,000	50%	A-5
	Class A Common	5,000	50%	A-6
	Class B Preferred	1,700	17%	B-8
	Class B Preferred	5,000	50%	B-9
	Class B Preferred	3,300	33%	B-10
	Class C Preferred	70	41.18%	C5
	Class C Preferred	100	58.82%	C6
The CinG-X Corporation	Common	3,200,000	100%	0914-04

**SCHEDULE “A”
SECURITIES**

<u>Pledged Company</u>	<u>Class of Securities</u>	<u>Number of Securities</u>	<u>% of Issued Securities</u>	<u>Certificate Number</u>
2702148 Ontario Inc.	Common	2,000	20%	7
	Common	8,000	80%	8
BioCannabis Products Ltd.	Common	1,000	100%	3
Canveda Inc.	Common	155,235	100%	COM-36
Holyworld SA	Restricted	1,000,000	100%	1
MPX Australia Pty. Ltd.	Ordinary	25,000,000	50%	3
	Ordinary	500,000	1%	5
	Ordinary	24,500,000	49%	6
MPXI Alberta Corporation	Common	100	100%	C-1
MPXI Malta Holding Limited	Ordinary	1,200	100%	1
MPXI Malta Operations Limited	Ordinary Class A	160,000	80%	1 to 160,000
MPXI UK Limited	Ordinary	100	100%	1
Salus BioPharma Corporation	Common	100	100%	C-001
Salus International Management Ltd.	Common	7,500,000	39.48%	C-013
	Common	1,500,000	7.9%	C-014
	Common	1,000,000	5.26%	C-015
Spartan Wellness Corporation	Class A Common	5,000	50%	A-5
	Class A Common	5,000	50%	A-6
	Class B Preferred	1,700	17%	B-8
	Class B Preferred	5,000	50%	B-9
	Class B Preferred	3,300	33%	B-10
	Class C Preferred	70	41.18%	C5
	Class C Preferred	100	58.82%	C6
The CinG-X Corporation	Common	3,200,000	100%	0914-04

**THIS IS EXHIBIT "Y" REFERRED TO IN THE
AFFIDAVIT OF JEREMY BLUMER SWORN
THE 25TH DAY OF JULY, 2022**

A handwritten signature in black ink, appearing to be 'TG' with a long horizontal stroke extending to the right.

THOMAS GRAY
A Commissioner for taking affidavits, etc.

GUARANTEE

Guarantee (as amended, modified, supplemented, restated or replaced from time to time, this “**Guarantee**”), dated as of June 30, 2020, made by 2702148 Ontario Inc., a corporation existing under the laws of the Province of Ontario, BioCannabis Products Ltd., a corporation existing under the laws of the Province of Ontario, Canveda Inc., a corporation existing under the federal laws of Canada, Holyworld SA, a corporation existing under the laws of Switzerland, MPXI Alberta Corporation, a corporation existing under the laws of the Province of Alberta, MPXI Australia Pty Ltd., a corporation existing under the laws of Australia, MPXI Malta Operations Limited, a corporation existing under the laws of Malta, MPXI UK Limited, a corporation existing under the laws of the United Kingdom, Salus BioPharma Corporation, a corporation existing under the laws of the Province of Ontario, Spartan Wellness Corporation a corporation existing under the federal laws of Canada, and The CinG-X Corporation, a corporation existing under the laws of the Province of Ontario, and each of their respective successor and permitted assigns (collectively, the “**Guarantors**”) in favour of AST Trust Company (Canada), as debenture trustee under the Debenture Indenture (as defined herein) (in such capacity, together with its successors and assigns, the “**Debenture Trustee**”).

WHEREAS certain lenders (collectively, “**Debentureholders**”) have agreed to make available to MPX International Corporation (the “**Issuer**”), certain funds pursuant to the terms and conditions of the debenture indenture dated the date hereof among the Issuer and AST Trust Company (Canada), as debenture trustee (in such capacity, the “**Debenture Trustee**”) (as amended, restated, supplemented, modified, replaced, extended, renewed or refinanced from time to time, the “**Debenture Indenture**”);

WHEREAS as a condition precedent to the issuance of the debentures pursuant to the Debenture Indenture, each of the Guarantors is required to execute and deliver this Guarantee in favour of the Debenture Trustee;

WHEREAS the Issuer is an affiliate of each of the Guarantors and due to the close business and financial relationships between the Guarantors and the Issuer, the Guarantors will derive substantial direct and indirect benefits from such transactions and therefore the Guarantors consider it in its best interest to provide this Guarantee;

NOW THEREFORE for good and valuable consideration, the receipt of which is hereby acknowledged, the Guarantor agrees, for the benefit of the Debenture Trustee, on its own behalf and on behalf of the Debentureholders, as follows:

Section 1 Defined Terms; Interpretation.

(1) As used in this Guarantee, the following terms have the following meanings:

“**Event of Default**” has the meaning specified in the Debenture Indenture.

“**Guaranteed Liabilities**” means (i) all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, at any time or from time to time due or accruing due and owing by or otherwise payable by the Issuer to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, in any currency, under or in connection with or pursuant to the Debenture Indenture and any other Security Document to which the Issuer is a party and whether incurred by the Issuer alone or jointly with another or others and whether as principal, guarantor or surety, and (ii) the due performance and compliance by the Issuer with all of the

terms and conditions of the Debenture Indenture and the other Security Documents, as such debts, liabilities, obligations, terms and conditions may be varied from time to time.

“**Issuer**” means MPX International Corporation, a company incorporated and existing under the laws of the Province of Ontario, and its successors and permitted assigns.

“**Person**” means a natural person, partnership, corporation, joint stock company, trust, unincorporated association, joint venture or other entity or governmental entity, and pronouns have a similarly extended meaning.

“**Security Documents**” means the Debenture Indenture and the other Security Documents (as defined in the Debenture Indenture).

- (2) In this Guarantee, words importing the singular number only include the plural and vice versa, and the words “**including**”, “**includes**” and “**include**” mean “**including (or includes or include) without limitation**”. The expressions “**Section**” and other subdivision followed by a number mean and refer to the specified Section or other subdivision of this Guarantee. Words importing the singular number only include the plural and vice versa. The division of this Guarantee into Sections and other subdivisions and the insertion of headings are for convenient reference only and are not to affect its interpretation.
- (3) Any reference to this Guarantee or any Security Document refers to this Guarantee or such Security Document as the same may have been or may from time to time be amended, modified, extended, renewed, restated, replaced or supplemented and includes all schedules attached to it. Except as otherwise provided in this Guarantee, any reference in this Guarantee to a statute refers to such statute and all rules and regulations made under it as the same may have been or may from time to time be amended or re-enacted.

Section 2 Guarantee.

Each of the Guarantors hereby unconditionally and irrevocably guarantees to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, the full and punctual payment and performance when due, whether at stated maturity, by required payment, by acceleration, declaration, demand or otherwise, of the Guaranteed Liabilities.

Section 3 Indemnity.

If any or all of the Guaranteed Liabilities are not duly paid or performed by the Issuer and are not recoverable under Section 2 hereof for any reason whatsoever, each Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Debenture Trustee, on its behalf and on behalf of the Debentureholders, from and against all losses resulting from the failure of the Issuer to pay such Guaranteed Liabilities.

Section 4 Primary Obligation.

If any or all of the Guaranteed Liabilities are not duly paid or performed by the Issuer and are not recoverable under Section 2 hereof or the Debenture Trustee, on its behalf and on behalf of the Debentureholders, is not indemnified under Section 3 hereof, in each case, for any reason whatsoever, such Guaranteed Liabilities will, as a separate and distinct obligation, be recoverable from the Guarantors each as primary obligor.

Section 5 Continuing Guarantee and Continuing Obligations.

- (1) This Guarantee shall be a continuing, absolute, unconditional and irrevocable guarantee of all of the Guaranteed Liabilities, shall apply to and secure all present and future Guaranteed Liabilities, and shall remain in full force and effect until all of the Guaranteed Liabilities have been paid in full and all other amounts owing to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, under the Security Documents have been paid; and this Guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Debenture Trustee, on its behalf and on behalf of the Debentureholders.
- (2) This Guarantee constitutes a guarantee of payment when due and not of collection, and each of the Guarantors specifically agree that the Debenture Trustee shall not be bound to pursue or exhaust its recourse against the Issuer or others or any securities or other guarantees they may at any time hold before being entitled to payment from such Guarantor.
- (3) The Guarantor's liability to make payment under this Guarantee shall arise forthwith after demand for payment has been made in writing on the applicable Guarantor in accordance with the provisions hereof (including, without limitation, Section 16 hereof).

Section 6 Event of Default.

Upon the occurrence and during the continuance of an Event of Default (as such term is defined in the Debenture Indenture), the Debenture Trustee may treat all Guaranteed Liabilities as due and payable and the Debenture Trustee may forthwith demand payment under this Guarantee and collect from the Guarantors the total amount hereby guaranteed. A written statement of an officer of the Debenture Trustee as to the amount of Guaranteed Liabilities remaining unpaid to the Debenture Trustee at any time shall be conclusive evidence thereof absent manifest error.

Section 7 Supplemental Security.

This Guarantee shall be in addition to and not in substitution for any other guarantees or other securities which the Debenture Trustee, on its behalf and on behalf of the Debentureholders, may now or hereafter hold in respect of the Guaranteed Liabilities and the Debenture Trustee shall not be under any obligation to marshal in favour of the Guarantors or exercise any right or remedies under any other guarantees or other securities or any moneys or other assets which the Debenture Trustee, on its behalf and on behalf of the Debentureholders, may be entitled to receive or may have a claim upon; and no loss of or in respect of or unenforceability of any other guarantees or other securities which the Debenture Trustee, on its behalf and on behalf of the Debentureholders, may now or hereafter hold in respect of the Guaranteed Liabilities, whether occasioned by the fault of the Debenture Trustee or otherwise, shall in any way limit or lessen the Guarantors' liability.

Section 8 No Prejudice to Debenture Trustee.

The Debenture Trustee is not prejudiced in any way in the right to enforce any provision of this Guarantee by any act or failure to act on the part of the Issuer or the Debenture Trustee. The Debenture Trustee may, at any time and from time to time, in such manner it determines is expedient, without any consent of, or notice to, the Guarantors and without impairing or releasing the obligations of the Guarantors (i) change the manner, place, time or terms of payment or performance of the Guaranteed Liabilities, (ii) renew or alter the Guaranteed Liabilities, (iii) amend, vary, modify, supplement or replace any Loan Document or any other related document or instrument, (iv) discontinue, reduce,

renew, increase, abstain from renewing or otherwise vary any credit or credit facilities to, any transaction with, the Issuer or any other Person, (v) release, compound or vary the liability of the Issuer or any other Person liable in any manner under or in respect of the Guaranteed Liabilities, (vi) take or abstain from taking securities or collateral from any other Person, or from perfecting securities or collateral of any other Person, (vii) exercise or enforce or refrain from exercising or enforcing any right or security against the Issuer, the Guarantors or any other Person, (viii) accept compromises or arrangement from any Person, (ix) apply any sums from time to time received to the Guaranteed Liabilities, or any part thereof, and change any such application in whole or in part from time to time, (x) otherwise deal with, or waive or modify their right to deal with, any Person and security; and the liability of the Guarantors hereunder shall be absolute, unconditional and irrevocable irrespective of any other circumstance which would constitute a defence available to or a discharge of the liabilities of a guarantor. The Debenture Trustee may apply all moneys received from the Issuer or others or from securities or guarantees upon such parts of the Guaranteed Liabilities as the Debenture Trustee may see fit and change any such application in whole or in part from time to time.

Section 9 Successors of the Issuer.

This Guarantee shall not be discharged or otherwise affected by the loss of capacity of the Issuer, by any change in the name of the Issuer or in the objects, capital structure or constitution of the Issuer, or by the sale of the Issuer's business or any part thereof, or by the Issuer being amalgamated with a corporation or by any amendment, supplement or replacement of the Debenture Indenture or any other Security Documents, but shall, notwithstanding any such event, continue to apply to all Guaranteed Liabilities whether theretofore or thereafter incurred; and in the case of the Issuer being amalgamated, merged or consolidated with a corporation, this Guarantee shall apply to the Guaranteed Liabilities of the amalgamated or resulting corporation, and the term "**Issuer**" shall include such amalgamated or resulting corporation.

Section 10 Waiver of Irregularity.

All advances, renewals and credits obtained from the Debenture Trustee, on its behalf and on behalf of the Debentureholders, under or pursuant to the Debenture Indenture by or on behalf of the Issuer shall be deemed to form part of the Guaranteed Liabilities, notwithstanding any lack or limitation of power, incapacity or disability of the Issuer or of the directors or agents thereof, or that the Issuer may not be a legal or suable entity, or any irregularity, defect or informality in the obtaining of such advances, renewals or credits, whether or not the Debenture Trustee had knowledge thereof; and (without limiting the generality of Section 4 hereof) any such advance, renewal or credit which may not be recoverable from the Guarantors as guarantors shall be recoverable from the Guarantors as principal debtors in respect thereof and shall be paid to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, on demand with interest at the rate set out in Section 5(3) hereof.

Section 11 Assignment and Postponement.

All obligations, liabilities and indebtedness of the Issuer to the Guarantors of any nature whatsoever and all security therefor (the "**Intercorporate Indebtedness**") are assigned and transferred to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, as continuing and collateral security for the Guarantors' obligations under this Guarantee and postponed to the payment in full of all Guaranteed Liabilities. Until notice by the Debenture Trustee to the Guarantors that an Event of Default (as such term is defined in the Debenture Indenture) has occurred and is continuing, the Guarantors may receive payments of principal and interest from the Issuer with respect to Intercorporate Indebtedness. Upon the occurrence and during the continuation of an Event of Default, all Intercorporate Indebtedness will be held in trust for the Debenture Trustee, on its behalf and on

behalf of the Debentureholders, and will be collected, enforced or proved subject to, and for the purpose of, this Guarantee. In such event, any payments or distributions received by a Guarantor in respect of the Intercorporate Indebtedness will be held in trust for the Debenture Trustee, on its behalf and on behalf of the Debentureholders, and segregated from other funds and property held by such Guarantor and immediately paid to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, on account of the Guaranteed Liabilities. In the event of any insolvency, bankruptcy or other proceeding involving the liquidation, arrangement, compromise, reorganization or other relief with respect to the Issuer or its debts, such Guarantor will, upon the request of the Debenture Trustee, make and present a proof of claim or commence such other proceedings against the Issuer on account of the Intercorporate Indebtedness as may be reasonably necessary to establish the Guarantor's entitlement to payment of any Intercorporate Indebtedness. The provisions of this Section 11 survive the termination of this Guarantee and remain in full force and effect until the Guaranteed Liabilities and all other amounts owing under the Security Documents are paid in full.

Section 12 Suspension of Guarantor Rights.

Until payment in full to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, of the Guaranteed Liabilities and all other amounts owing to the Debenture Trustee under the Security Documents, the Guarantors hereby irrevocably waive any claim or other rights which it may now have or may hereafter acquire against the Issuer that arise from the existence, payment, performance or enforcement of the Guarantors' obligations under this Guarantee, including any right of subrogation, reimbursement, exoneration or indemnification, any right to participate in any claim or remedy of the Debenture Trustee against the Issuer which the Debenture Trustee now has or hereafter acquires, whether or not such claim, remedy or right arises in equity, or under contract, statute or common law, including the right to take or receive from the Issuer, directly or indirectly, in cash or other property or by set-off or in any manner, payment of security on account of such claim or other rights. If any amount shall be paid to a Guarantor in violation of the preceding sentence and the Guaranteed Liabilities shall not have been paid in cash in full, such amount shall be deemed to have been paid to such Guarantor for the benefit of, and held in trust for the Debenture Trustee, on its behalf and on behalf of the Debentureholders, and shall forthwith be paid to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, to be credited and applied against the Guaranteed Liabilities, whether matured or unmatured. Each of the Guarantors acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by the Debenture Indenture and that the waiver set forth in this Section 12 is knowingly made in contemplation of such benefits.

Section 13 Entire Agreement; Amendment.

The Guarantors agree that except as contained in this Guarantee or any other Security Documents, there are no collateral agreements between the Guarantors and the Debenture Trustee in respect of the subject matter hereof; and it is specifically agreed that the Debenture Trustee shall not be bound by any representations or promises made by the Issuer or anyone else whomsoever to the Guarantors. No amendment or waiver of the terms hereof shall be effective unless made in writing by each Guarantor and the Debenture Trustee.

Section 14 Joint and Several Obligations.

The obligations of each Guarantor under this Guarantee shall be joint and several.

Section 15 Representations and Warranties.

Each of the Guarantors represents and warrants, acknowledging and confirming that that the Debenture Trustee is relying on such representations and warranties in connection with the acceptance of this Guarantee, that:

- (a) it is a corporation duly incorporated, organized and validly existing under the laws of their jurisdiction of formation;
- (b) it has all requisite power and authority to (i) own, lease and operate its properties and assets and to carry on its business as now being conducted by it, and (b) enter into and perform its obligations under this Guarantee and each of the Security Documents to which it is a party;
- (c) the execution and delivery by it and the performance by it of its obligations under, and compliance with the terms, conditions and provisions of, this Guarantee and each of the Security Documents to which it is a party will not (a) conflict with or result in a breach of, or allow any other Person to exercise any rights under, any of the terms or conditions of (i) its constating documents, by-laws or any applicable shareholders' agreement, (ii) any applicable law, rule or regulation, (iii) any contractual restriction binding on or affecting it or its properties, or (iv) any judgment, injunction, determination or award which is binding on it, (b) result in, require or permit the imposition of any lien or other encumbrance in, on or with respect to any of its assets or property (except in favour of the Debenture Trustee, on its behalf and on behalf of the Debentureholders), or (c) result in a breach of, or cause the termination or revocation of, any authorization held by it necessary to the operation of its business;
- (d) the execution and delivery of this Guarantee and each of the Security Documents to which it is a party by it and the performance by it of its respective obligations under this Guarantee and each of the Security Documents to which it is a party have been duly authorized by all necessary corporate action including, without limitation, the obtaining of all necessary shareholder consents. No authorization, consent, approval, registration, qualification, designation, declaration or filing with any governmental entity or other Person is necessary in connection with the execution, delivery and performance of obligations under this Guarantee or any of the Security Documents to which such Guarantor is a party except as are in full force and effect, unamended, at the date of this Guarantee; and
- (e) this Guarantee and each of the Security Documents to which it is a party have been duly executed and delivered by the applicable Guarantor and constitute legal, valid and binding obligations of such Guarantor enforceable against it, in accordance with their respective terms, subject only to any limitation under applicable laws relating to (a) bankruptcy, insolvency, arrangement or creditors' rights generally, and (b) the discretion that a court may exercise in the granting of equitable remedies.

Section 16 Notices, etc.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given in accordance with the Debenture Indenture.

Section 17 Costs and Expenses.

The Guarantors are liable for and will pay on demand by the Debenture Trustee any and all expenses, costs and charges incurred by or on behalf of the Debenture Trustee in connection with this Guarantee, including all legal fees, court costs, receiver or agent's remuneration and other expenses in connection with enforcing its rights under this Guarantee.

Section 18 Irrevocable Guarantee.

This Guarantee shall be irrevocable and the liability of the Guarantors hereunder shall be absolute and unconditional irrespective of any lack of validity or enforceability of the Debenture Indenture or any of the other Security Documents.

Section 19 Limitations Act.

Notwithstanding the provisions of the *Limitations Act, 2002* (Ontario), a claim may be brought on this Guarantee at any time within 6 years from the date on which demand for payment of the Guaranteed Liabilities is made to the Guarantors in accordance with the terms of this Guarantee.

Section 20 Governing Law.

This Guarantee is governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each of the parties hereto irrevocably attorns to the exclusive jurisdiction of the courts of the Province of Ontario with respect to all matters arising out of this Indenture and the transactions contemplated herein.

Section 21 Reinstatement of Guarantee.

This Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Liabilities is rescinded or must otherwise be returned by the Debenture Trustee, on its behalf and on behalf of the Debentureholders, upon the insolvency, bankruptcy or reorganization of the Issuer or otherwise, all as though such payments had not been made.

Section 22 Severability.

If any provision of this Guarantee is determined by any court of competent jurisdiction to be invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof will continue in full force and effect.

Section 23 Successors and Assigns.

This Guarantee shall enure to the benefit of and be binding upon the Debenture Trustee, on its behalf and on behalf of the Debentureholders, and its respective successors and assigns and the Guarantors and their successors; provided that the Guarantors shall not have the right to assign its obligations hereunder.

Section 24 Counterparts.

This Guarantee may be executed by one or more signatories of the Guarantors on any number of separate counterparts (including by telecopy or pdf), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the Guarantors have caused this Guarantee to be duly executed and delivered by its officers thereunto duly authorized.

2702148 ONTARIO INC.

By: 
Name: Jeremy S. Budd
Title: Director

BIOCANNABIS PRODUCTS LTD.

By: 
Name: W. Scott Boyes
Title: Director

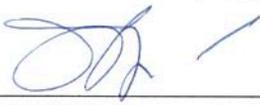
CANVEDA INC.

By: 
Name: William S. Boyes
Title: Director

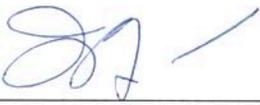
HOLYWORLD SA

By: 
Name: W. Scott Boyes
Title: Director

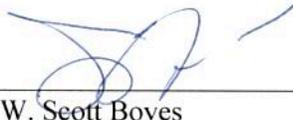
MPXI ALBERTA CORPORATION

By: 
Name: W. Scott Boyes
Title: Director

MPX AUSTRALIA PTY LTD

By: 
Name: W. Scott Boyes
Title: Director

**MPXI MALTA OPERATIONS
LIMITED**

By: 
Name: W. Scott Boyes
Title: Director

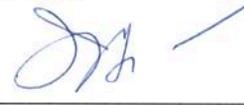
MPXI UK LIMITED

By: 
Name: W. Scott Boyes
Title: Director

SALUS BIOPHARMA CORPORATION

By: 
Name: W. Scott Boyes
Title: Director

**SPARTAN WELLNESS
CORPORATION**

By: 
Name: W. Scott Boyes
Title: Director

THE CING-X CORPORATION

By: 
Name: W. Scott Boyes
Title: Director

GUARANTEE

Guarantee (as amended, modified, supplemented, restated or replaced from time to time, this “**Guarantee**”), dated as of June 30, 2020, made by MPXI Malta Holding Limited, a corporation existing under the laws of the Province of Malta, and its successor and permitted assigns (the “**Guarantor**”) in favour of AST Trust Company (Canada), as debenture trustee under the Debenture Indenture (as defined herein) (in such capacity, together with its successors and assigns, the “**Debenture Trustee**”).

WHEREAS certain lenders (collectively, “**Debentureholders**”) have agreed to make available to MPX International Corporation (the “**Issuer**”), the sole shareholder of the Guarantor, certain funds pursuant to the terms and conditions of the debenture indenture dated the date hereof among the Issuer and AST Trust Company (Canada), as debenture trustee (in such capacity, the “**Debenture Trustee**”) (as amended, restated, supplemented, modified, replaced, extended, renewed or refinanced from time to time, the “**Debenture Indenture**”);

WHEREAS as a condition precedent to the issuance of the debentures pursuant to the Debenture Indenture, the Guarantor is required to execute and deliver this Guarantee in favour of the Debenture Trustee;

WHEREAS the Issuer is an affiliate of the Guarantor and due to the close business and financial relationships between the Guarantor and the Issuer, the Guarantor will derive substantial direct and indirect benefits from such transactions and therefore the Guarantor considers it in its best interest to provide this Guarantee;

NOW THEREFORE for good and valuable consideration, the receipt of which is hereby acknowledged, the Guarantor agrees, for the benefit of the Debenture Trustee, on its own behalf and on behalf of the Debentureholders, as follows:

Section 1 Defined Terms; Interpretation.

(1) As used in this Guarantee, the following terms have the following meanings:

“**Event of Default**” has the meaning specified in the Debenture Indenture.

“**Guaranteed Liabilities**” means (i) all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, at any time or from time to time due or accruing due and owing by or otherwise payable by the Issuer to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, in any currency, under or in connection with or pursuant to the Debenture Indenture and any other Security Document to which the Issuer is a party and whether incurred by the Issuer alone or jointly with another or others and whether as principal, guarantor or surety, and (ii) the due performance and compliance by the Issuer with all of the terms and conditions of the Debenture Indenture and the other Security Documents, as such debts, liabilities, obligations, terms and conditions may be varied from time to time.

“**Issuer**” means MPX International Corporation, a company incorporated and existing under the laws of the Province of Ontario, and its successors and permitted assigns.

“**Person**” means a natural person, partnership, corporation, joint stock company, trust, unincorporated association, joint venture or other entity or governmental entity, and pronouns have a similarly extended meaning.

“**Security Documents**” means the Debenture Indenture and the other Security Documents (as defined in the Debenture Indenture).

- (2) In this Guarantee, words importing the singular number only include the plural and vice versa, and the words “**including**”, “**includes**” and “**include**” mean “**including (or includes or include) without limitation**”. The expressions “**Section**” and other subdivision followed by a number mean and refer to the specified Section or other subdivision of this Guarantee. Words importing the singular number only include the plural and vice versa. The division of this Guarantee into Sections and other subdivisions and the insertion of headings are for convenient reference only and are not to affect its interpretation.
- (3) Any reference to this Guarantee or any Security Document refers to this Guarantee or such Security Document as the same may have been or may from time to time be amended, modified, extended, renewed, restated, replaced or supplemented and includes all schedules attached to it. Except as otherwise provided in this Guarantee, any reference in this Guarantee to a statute refers to such statute and all rules and regulations made under it as the same may have been or may from time to time be amended or re-enacted.

Section 2 Guarantee.

The Guarantor hereby unconditionally and irrevocably guarantees to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, the full and punctual payment and performance when due, whether at stated maturity, by required payment, by acceleration, declaration, demand or otherwise, of the Guaranteed Liabilities.

Section 3 Indemnity.

If any or all of the Guaranteed Liabilities are not duly paid or performed by the Issuer and are not recoverable under Section 2 hereof for any reason whatsoever, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Debenture Trustee, on its behalf and on behalf of the Debentureholders, from and against all losses resulting from the failure of the Issuer to pay such Guaranteed Liabilities.

Section 4 Primary Obligation.

If any or all of the Guaranteed Liabilities are not duly paid or performed by the Issuer and are not recoverable under Section 2 hereof or the Debenture Trustee, on its behalf and on behalf of the Debentureholders, is not indemnified under Section 3 hereof, in each case, for any reason whatsoever, such Guaranteed Liabilities will, as a separate and distinct obligation, be recoverable from the Guarantor as primary obligor.

Section 5 Continuing Guarantee and Continuing Obligations.

- (1) This Guarantee shall be a continuing, absolute, unconditional and irrevocable guarantee of all of the Guaranteed Liabilities, shall apply to and secure all present and future Guaranteed Liabilities, and shall remain in full force and effect until all of the Guaranteed Liabilities have been paid in full and all other amounts owing to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, under the Security Documents have been paid; and this Guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Debenture Trustee, on its behalf and on behalf of the Debentureholders.

- (2) This Guarantee constitutes a guarantee of payment when due and not of collection, and the Guarantor specifically agree that the Debenture Trustee shall not be bound to pursue or exhaust its recourse against the Issuer or others or any securities or other guarantees they may at any time hold before being entitled to payment from the Guarantor.
- (3) The Guarantor's liability to make payment under this Guarantee shall arise forthwith after demand for payment has been made in writing on the Guarantor in accordance with the provisions hereof (including, without limitation, Section 15 hereof).

Section 6 Event of Default.

Upon the occurrence and during the continuance of an Event of Default (as such term is defined in the Debenture Indenture), the Debenture Trustee may treat all Guaranteed Liabilities as due and payable and the Debenture Trustee may forthwith demand payment under this Guarantee and collect from the Guarantor the total amount hereby guaranteed. A written statement of an officer of the Debenture Trustee as to the amount of Guaranteed Liabilities remaining unpaid to the Debenture Trustee at any time shall be conclusive evidence thereof absent manifest error.

Section 7 Supplemental Security.

This Guarantee shall be in addition to and not in substitution for any other guarantees or other securities which the Debenture Trustee, on its behalf and on behalf of the Debentureholders, may now or hereafter hold in respect of the Guaranteed Liabilities and the Debenture Trustee shall not be under any obligation to marshal in favour of the Guarantor or exercise any right or remedies under any other guarantees or other securities or any moneys or other assets which the Debenture Trustee, on its behalf and on behalf of the Debentureholders, may be entitled to receive or may have a claim upon; and no loss of or in respect of or unenforceability of any other guarantees or other securities which the Debenture Trustee, on its behalf and on behalf of the Debentureholders, may now or hereafter hold in respect of the Guaranteed Liabilities, whether occasioned by the fault of the Debenture Trustee or otherwise, shall in any way limit or lessen the Guarantor's liability.

Section 8 No Prejudice to Debenture Trustee.

The Debenture Trustee is not prejudiced in any way in the right to enforce any provision of this Guarantee by any act or failure to act on the part of the Issuer or the Debenture Trustee. The Debenture Trustee may, at any time and from time to time, in such manner it determines is expedient, without any consent of, or notice to, the Guarantor and without impairing or releasing the obligations of the Guarantor (i) change the manner, place, time or terms of payment or performance of the Guaranteed Liabilities, (ii) renew or alter the Guaranteed Liabilities, (iii) amend, vary, modify, supplement or replace any Loan Document or any other related document or instrument, (iv) discontinue, reduce, renew, increase, abstain from renewing or otherwise vary any credit or credit facilities to, any transaction with, the Issuer or any other Person, (v) release, compound or vary the liability of the Issuer or any other Person liable in any manner under or in respect of the Guaranteed Liabilities, (vi) take or abstain from taking securities or collateral from any other Person, or from perfecting securities or collateral of any other Person, (vii) exercise or enforce or refrain from exercising or enforcing any right or security against the Issuer, the Guarantor or any other Person, (viii) accept compromises or arrangement from any Person, (ix) apply any sums from time to time received to the Guaranteed Liabilities, or any part thereof, and change any such application in whole or in part from time to time, (x) otherwise deal with, or waive or modify their right to deal with, any Person and security; and the liability of the Guarantor hereunder shall be absolute, unconditional and irrevocable irrespective of any other circumstance which would constitute a defence available to or a discharge of the liabilities of a guarantor. The Debenture Trustee may apply all moneys received from the Issuer or others or from

securities or guarantees upon such parts of the Guaranteed Liabilities as the Debenture Trustee may see fit and change any such application in whole or in part from time to time.

Section 9 Successors of the Issuer.

This Guarantee shall not be discharged or otherwise affected by the loss of capacity of the Issuer, by any change in the name of the Issuer or in the objects, capital structure or constitution of the Issuer, or by the sale of the Issuer's business or any part thereof, or by the Issuer being amalgamated with a corporation or by any amendment, supplement or replacement of the Debenture Indenture or any other Security Documents, but shall, notwithstanding any such event, continue to apply to all Guaranteed Liabilities whether theretofore or thereafter incurred; and in the case of the Issuer being amalgamated, merged or consolidated with a corporation, this Guarantee shall apply to the Guaranteed Liabilities of the amalgamated or resulting corporation, and the term "**Issuer**" shall include such amalgamated or resulting corporation.

Section 10 Waiver of Irregularity.

All advances, renewals and credits obtained from the Debenture Trustee, on its behalf and on behalf of the Debentureholders, under or pursuant to the Debenture Indenture by or on behalf of the Issuer shall be deemed to form part of the Guaranteed Liabilities, notwithstanding any lack or limitation of power, incapacity or disability of the Issuer or of the directors or agents thereof, or that the Issuer may not be a legal or suable entity, or any irregularity, defect or informality in the obtaining of such advances, renewals or credits, whether or not the Debenture Trustee had knowledge thereof; and (without limiting the generality of Section 4 hereof) any such advance, renewal or credit which may not be recoverable from the Guarantor as guarantor shall be recoverable from the Guarantor as principal debtor in respect thereof and shall be paid to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, on demand with interest at the rate set out in Section 5(3) hereof.

Section 11 Assignment and Postponement.

All obligations, liabilities and indebtedness of the Issuer to the Guarantor of any nature whatsoever and all security therefor (the "**Intercorporate Indebtedness**") are assigned and transferred to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, as continuing and collateral security for the Guarantor's obligations under this Guarantee and postponed to the payment in full of all Guaranteed Liabilities. Until notice by the Debenture Trustee to the Guarantor that an Event of Default (as such term is defined in the Debenture Indenture) has occurred and is continuing, the Guarantor may receive payments of principal and interest from the Issuer with respect to Intercompany Indebtedness. Upon the occurrence and during the continuation of an Event of Default, all Intercorporate Indebtedness will be held in trust for the Debenture Trustee, on its behalf and on behalf of the Debentureholders, and will be collected, enforced or proved subject to, and for the purpose of, this Guarantee. In such event, any payments or distributions received by the Guarantor in respect of the Intercorporate Indebtedness will be held in trust for the Debenture Trustee, on its behalf and on behalf of the Debentureholders, and segregated from other funds and property held by the Guarantor and immediately paid to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, on account of the Guaranteed Liabilities. In the event of any insolvency, bankruptcy or other proceeding involving the liquidation, arrangement, compromise, reorganization or other relief with respect to the Issuer or its debts, the Guarantor will, upon the request of the Debenture Trustee, make and present a proof of claim or commence such other proceedings against the Issuer on account of the Intercorporate Indebtedness as may be reasonably necessary to establish the Guarantor's entitlement to payment of any Intercorporate Indebtedness. The provisions of this Section 11 survive the termination of this Guarantee and remain in full force and effect until the Guaranteed Liabilities and all other amounts owing under the Security Documents are paid in full.

Section 12 Suspension of Guarantor Rights.

Until payment in full to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, of the Guaranteed Liabilities and all other amounts owing to the Debenture Trustee under the Security Documents, the Guarantor hereby irrevocably waives any claim or other rights which it may now have or may hereafter acquire against the Issuer that arise from the existence, payment, performance or enforcement of the Guarantor's obligations under this Guarantee, including any right of subrogation, reimbursement, exoneration or indemnification, any right to participate in any claim or remedy of the Debenture Trustee against the Issuer which the Debenture Trustee now has or hereafter acquires, whether or not such claim, remedy or right arises in equity, or under contract, statute or common law, including the right to take or receive from the Issuer, directly or indirectly, in cash or other property or by set-off or in any manner, payment of security on account of such claim or other rights. If any amount shall be paid to the Guarantor in violation of the preceding sentence and the Guaranteed Liabilities shall not have been paid in cash in full, such amount shall be deemed to have been paid to the Guarantor for the benefit of, and held in trust for the Debenture Trustee, on its behalf and on behalf of the Debentureholders, and shall forthwith be paid to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, to be credited and applied against the Guaranteed Liabilities, whether matured or unmatured. The Guarantor acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by the Debenture Indenture and that the waiver set forth in this Section 12 is knowingly made in contemplation of such benefits.

Section 13 Entire Agreement; Amendment.

The Guarantor agrees that except as contained in this Guarantee or any other Security Documents, there are no collateral agreements between the Guarantor and the Debenture Trustee in respect of the subject matter hereof; and it is specifically agreed that the Debenture Trustee shall not be bound by any representations or promises made by the Issuer or anyone else whomsoever to the Guarantor. No amendment or waiver of the terms hereof shall be effective unless made in writing by the Guarantor and the Debenture Trustee.

Section 14 Representations and Warranties.

The Guarantor represents and warrants, acknowledging and confirming that that the Debenture Trustee is relying on such representations and warranties in connection with the acceptance of this Guarantee, that:

- (a) it is a corporation duly incorporated, organized and validly existing under the laws of their jurisdiction of formation;
- (b) it has all requisite power and authority to (i) own, lease and operate its properties and assets and to carry on its business as now being conducted by it, and (b) enter into and perform its obligations under this Guarantee and each of the Security Documents to which it is a party;
- (c) the execution and delivery by it and the performance by it of its obligations under, and compliance with the terms, conditions and provisions of, this Guarantee and each of the Security Documents to which it is a party will not (a) conflict with or result in a breach of, or allow any other Person to exercise any rights under, any of the terms or conditions of (i) its constituting documents, by-laws or any applicable shareholders' agreement, (ii) any applicable law, rule or regulation, (iii) any contractual restriction binding on or affecting it or its properties, or (iv) any judgment, injunction, determination or award which is binding on it, (b) result in, require or permit the imposition of any lien or other encumbrance in, on or with respect to any of its assets

or property (except in favour of the Debenture Trustee, on its behalf and on behalf of the Debentureholders), or (c) result in a breach of, or cause the termination or revocation of, any authorization held by it necessary to the operation of its business;

- (d) the execution and delivery of this Guarantee and each of the Security Documents to which it is a party by it and the performance by it of its respective obligations under this Guarantee and each of the Security Documents to which it is a party have been duly authorized by all necessary corporate action including, without limitation, the obtaining of all necessary shareholder consents. No authorization, consent, approval, registration, qualification, designation, declaration or filing with any governmental entity or other Person is necessary in connection with the execution, delivery and performance of obligations under this Guarantee or any of the Security Documents to which the Guarantor is a party except as are in full force and effect, unamended, at the date of this Guarantee; and
- (e) this Guarantee and each of the Security Documents to which it is a party have been duly executed and delivered by the applicable Guarantor and constitute legal, valid and binding obligations of such Guarantor enforceable against it, in accordance with their respective terms, subject only to any limitation under applicable laws relating to (a) bankruptcy, insolvency, arrangement or creditors' rights generally, and (b) the discretion that a court may exercise in the granting of equitable remedies.

Section 15 Notices, etc.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given in accordance with the Debenture Indenture.

Section 16 Costs and Expenses.

The Guarantor is liable for and will pay on demand by the Debenture Trustee any and all expenses, costs and charges incurred by or on behalf of the Debenture Trustee in connection with this Guarantee, including all legal fees, court costs, receiver or agent's remuneration and other expenses in connection with enforcing its rights under this Guarantee.

Section 17 Irrevocable Guarantee.

This Guarantee shall be irrevocable and the liability of the Guarantor hereunder shall be absolute and unconditional irrespective of any lack of validity or enforceability of the Debenture Indenture or any of the other Security Documents.

Section 18 Limitations Act.

Notwithstanding the provisions of the *Limitations Act, 2002* (Ontario), a claim may be brought on this Guarantee at any time within 6 years from the date on which demand for payment of the Guaranteed Liabilities is made to the Guarantor in accordance with the terms of this Guarantee.

Section 19 Governing Law.

This Guarantee is governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each of the parties hereto irrevocably attorns to the exclusive jurisdiction of the courts of the Province of Ontario with respect to all matters arising out of this Indenture and the transactions contemplated herein.

Section 20 Reinstatement of Guarantee.

This Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Liabilities is rescinded or must otherwise be returned by the Debenture Trustee, on its behalf and on behalf of the Debentureholders, upon the insolvency, bankruptcy or reorganization of the Issuer or otherwise, all as though such payments had not been made.

Section 21 Severability.

If any provision of this Guarantee is determined by any court of competent jurisdiction to be invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof will continue in full force and effect.

Section 22 Successors and Assigns.

This Guarantee shall enure to the benefit of and be binding upon the Debenture Trustee, on its behalf and on behalf of the Debentureholders, and its respective successors and assigns and the Guarantor and their successors; provided that the Guarantor shall not have the right to assign its obligations hereunder.

Section 23 Counterparts.

This Guarantee may be executed by one or more signatories of the Guarantor on any number of separate counterparts (including by telecopy or pdf), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the Guarantor have caused this Guarantee to be duly executed and delivered by its officers thereunto duly authorized.

MPXI MALTA HOLDING LIMITED

By: 
Name: W. Scott Boyes
Title: Director

**THIS IS EXHIBIT "Z" REFERRED TO IN THE
AFFIDAVIT OF JEREMY BLUMER SWORN
THE 25TH DAY OF JULY, 2022**

A handwritten signature in black ink, appearing to be 'TG' with a long horizontal stroke extending to the right.

THOMAS GRAY
A Commissioner for taking affidavits, etc.

SECURITY AGREEMENT

Security Agreement (as amended, modified, supplemented, restated or replaced from time to time, this “**Agreement**”) dated as of June 30, 2020 (the “**Effective Date**”) made by 2702148 Ontario Inc., a corporation existing under the laws of the Province of Ontario (the “**Obligor**”) to and in favour of AST Trust Company (Canada), as debenture trustee under the Debenture Indenture (as defined herein) (in such capacity, together with its successors and assigns, the “**Debenture Trustee**”).

WHEREAS certain subscribers (the “**Debentureholders**”) have executed and delivered subscription agreements for secured convertible debentures created by and authorized by and issuable under the Debenture Indenture (as defined herein), as issued by MPX International Corporation (“**MPXI**”) on the Effective Date (the “**Secured Debentures**”);

AND WHEREAS the Secured Debentures constitute and make available to MPXI certain loan amounts that mature twenty-four (24) months from the Effective Date and bear interest at a rate of 12% per annum from the Effective Date, payable quarterly in cash in arrears pursuant to the terms and conditions of the Debenture Indenture;

AND WHEREAS the obligations of MPXI pursuant to the Secured Debentures are secured by liens on substantially all of the assets of MPXI pursuant to the Security Documents (as defined herein);

AND WHEREAS as a condition precedent to the issuance of debentures pursuant to Debenture Indenture, the Obligor will execute and deliver a guarantee (the “**Guarantee**”) in favour of the Debenture Trustee, on its own behalf and on behalf of the Debentureholders;

AND WHEREAS it is a condition precedent to the issuance of the Secured Debentures pursuant to the Debenture Indenture that the Obligor execute and deliver this Agreement in favour of the Debenture Trustee, on its own behalf and on behalf of the Debentureholders;

AND WHEREAS MPXI is an affiliate of the Obligor and due to the close business and financial relationships between Obligor and MPXI, the Obligor will derive substantial direct and indirect benefits from such transactions and therefore the Obligor considers it in its best interest to provide this Agreement;

NOW THEREFORE for good and valuable consideration, the receipt of which is hereby acknowledged, the Obligor agrees, for the benefit of the Debenture Trustee, as follows:

Section 1 Defined Terms; Interpretation.

(1) As used in this Agreement, the following terms have the following meanings:

“**Collateral**” has the meaning specified in Section 2.

“**Debenture Indenture**” means the debenture indenture entered into as of the Effective Date between MPXI and the Debenture Trustee, on its own behalf and on behalf of the Debentureholders, providing for the issuance of the Secured Debentures;

“**Encumbrance**” means any mortgage, charge, pledge, hypothecation, security interest, assignment by way of security, lien (statutory or otherwise), encumbrance, conditional sale agreement, capital lease, deposit arrangement, title retention agreement, and any other agreement, trust or arrangement that in substance secures payment or performance of an obligation.

“**Event of Default**” has the meaning specified in the Debenture Indenture.

“**Expenses**” has the meaning specified in Section 3(b).

“**Person**” means a natural person, partnership, corporation, joint stock company, trust, unincorporated association, joint venture or other entity or governmental entity, and pronouns have a similarly extended meaning.

“**Pledge Agreement**” means the securities pledge agreement to be entered into as of the Effective Date between MPXI and the Debenture Trustee, on behalf of the Debentureholders, with respect to the pledge of shares of to the Debenture Trustee, on behalf of the Debentureholders.

“**Secured Obligations**” has the meaning specified in Section 3(a).

“**Security Documents**” means this Agreement, the Guarantee, the Pledge Agreement and such further documents, instruments and other documents that may at any time be required to be provided by the Corporation to the Trustee in accordance with the terms of the Debenture Indenture.

“**Security Interest**” has the meaning specified in Section 3.

- (2) Terms defined in the *Personal Property Security Act* (Ontario) (as amended from time to time, the “**PPSA**”) or the *Securities Transfer Act, 2006* (Ontario) (“**STA**”) and used but not otherwise defined in this Agreement have the same meanings. Capitalized terms used in this Agreement but not defined have the meanings given to them in the Debenture Indenture.
- (3) In this Agreement the words “**including**”, “**includes**” and “**include**” mean “**including (or includes or include) without limitation**”. The expressions “**Section**” and other subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement. Words importing the singular number only include the plural and vice versa. The division of this Agreement into Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect its interpretation.
- (4) Any reference to this Agreement or any Security Document refers to this Agreement or such Security Document as the same may have been or may from time to time be amended, modified, extended, renewed, restated, replaced or supplemented and includes all schedules attached to it. Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules and regulations made under it as the same may have been or may from time to time be amended or re-enacted.
- (5) Any reference in this Agreement to an Encumbrance permitted by this Agreement is not intended to subordinate or postpone, and shall not be interpreted as subordinating or postponing, or as an agreement to subordinate or postpone, any Encumbrance created by any of the Security Documents to any Encumbrance permitted hereunder.

Section 2 Grant of Security.

The Obligor grants to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, a security interest in, and assign, mortgage, charge, hypothecate and pledge to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, all of the property and undertaking of the Obligor now owned or hereafter acquired and all of the property and undertaking in which the Obligor now has or hereafter acquires any interest (collectively, the “**Collateral**”) including all of the Obligor’s:

- (a) present and after acquired property;

- (b) inventory including goods held for sale, lease or resale, goods furnished or to be furnished to third parties under contracts of lease, consignment or service, goods which are raw materials or work in process, goods used in or procured for packing and materials used or consumed in the business of the Obligor;
- (c) equipment, machinery, furniture, fixtures, plant, vehicles and other goods of every kind and description and all licences and other rights and all related records, files, charts, plans, drawings, specifications, manuals and documents;
- (d) accounts due or accruing and all related agreements, books, accounts, invoices, letters, documents and papers recording, evidencing or relating to them;
- (e) money, documents of title, chattel paper, financial assets, investment property and instruments;
- (f) intangibles including all security interests, goodwill, choses in action, contracts, contract rights, licenses and other contractual benefits;
- (g) intellectual property;
- (h) all substitutions and replacements of and increases, additions and, where applicable, accessions to the property described in Section 2(a) through Section 2(g) inclusive; and
- (i) all proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in Section 2(a) through Section 2(h) inclusive, including the proceeds of such proceeds.

Section 3 Obligations Secured.

The security interest, assignment, mortgage, charge, hypothecation and pledge granted by this Agreement (collectively, the “**Security Interest**”) secures the payment and performance of:

- (a) all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by the Obligor to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, in any currency, under, in connection with or pursuant to this Agreement and any other Security Document to which the Obligor is a party, and whether incurred by the applicable Obligor alone or jointly with another or others and whether as principal, guarantor or surety and in whatever name or style (collectively, and together with the Expenses, the “**Secured Obligations**”); and
- (b) all expenses, costs and charges incurred by or on behalf of the Debenture Trustee in connection with this Agreement, the Security Interest or the Collateral, including all legal fees, court costs, receiver’s or agent’s remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling, transferring, delivering or obtaining payment for the Collateral, and of taking, defending or participating in any action or proceeding in connection with any of the foregoing matters or otherwise in connection with the Debenture Trustee’s, for its own benefit and on behalf of the Debentureholders, interest in any Collateral, whether or not directly relating to the enforcement of this Agreement or any other Security Document (collectively, the “**Expenses**”).

Section 4 Attachment.

- (1) The Obligor acknowledges that: (a) value has been given; (b) it has rights in its Collateral or the power to transfer rights in such Collateral to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, (other than after-acquired Collateral); (c) it has not agreed to postpone the time of attachment of the Security Interest; and (d) it has received a copy of this Agreement.
- (2) The Obligor will take all action that the Debenture Trustee deems advisable to cause the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, to have control over any investment property that are now or at any time become Collateral, and will: (a) deliver to and deposit with the Debenture Trustee any instruments that are Collateral; (b) cause the transfer of any instruments to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, to be registered wherever such registration may be required or advisable in the opinion of the Debenture Trustee; (c) endorse any instruments to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, or in blank or register them in the name of the Debenture Trustee or its nominee or otherwise as the Debenture Trustee may direct; and (d) deliver to the Debenture Trustee any and all consents or other documents that may be necessary to effect the transfer of any instruments to the Debenture Trustee or any third party. Notwithstanding the foregoing, and for greater certainty, the Security Interest granted hereby is subject to the terms and conditions of the Debenture Indenture and the Pledge Agreement and investment property delivered by the Obligor to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, are being held by the Debenture Trustee in trust, on a pro rata basis, on its behalf and on behalf of the Debentureholders in accordance with the terms and conditions of the Debenture Indenture and the Pledge Agreement.
- (3) The Security Interest does not extend to consumer goods.
- (4) The Security Interest does not extend or apply to the last day of the term of any lease or sublease of real property or any agreement for a lease or sublease of real property, now held or hereafter acquired by the Obligor, but the Obligor will stand possessed of any such last day upon trust to assign and dispose of it as the Debenture Trustee may reasonably direct.
- (5) To the extent that an assignment of amounts payable and other proceeds arising under or in connection with, or the grant of a security interest in any agreement, licence, permit or quota of the Obligor would result in the termination of such agreement, licence, permit or quota (each, a "**Restricted Asset**"), the Security Interest with respect to each Restricted Asset will constitute a trust created in favour of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, pursuant to which the Obligor holds as trustee all proceeds arising under or in connection with the Restricted Asset in trust for the Debenture Trustee, on its behalf and on behalf of the Debentureholders, on the following basis:
 - (a) subject to the Debenture Indenture and the Pledge Agreement, until the Security Interest is enforceable the Obligor is entitled to receive all such proceeds; and
 - (a) whenever the Security Interest is enforceable, (i) all rights of the Obligor to receive such proceeds cease and all such proceeds will be immediately paid over to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, and (ii) the Obligor will take all actions requested by the Debenture Trustee to collect and enforce payment and other rights arising under the Restricted Asset.

- (6) The Obligor will use all commercially reasonable efforts to obtain the consent of each other party to any and all Restricted Assets to the assignment of such Restricted Asset to the Debenture Trustee in accordance with this Agreement. The Obligor will also use all commercially reasonable efforts to ensure that all agreements entered into on and after the date of this Agreement expressly permit assignments of the benefits of such agreements as collateral security to the Debenture Trustee in accordance with the terms of this Agreement.

Section 5 Grant of Licence to Use Intellectual Property.

At such time as the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, is lawfully entitled to exercise its rights and remedies under Section 10 or Section 11, the Obligor grants to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, an irrevocable, nonexclusive licence (exercisable without payment of royalty or other compensation to the Obligor) to use, assign or sublicense any intellectual property in which the Obligor has rights wherever the same may be located, including in such licence access to (i) all media in which any of the licensed items may be recorded or stored, and (ii) all software and computer programs used for compilation or print-out. The license granted under this Section 5 is to enable the Debenture Trustee to exercise its rights and remedies under Section 9 through Section 17, inclusive, and for no other purpose.

Section 6 Care and Custody of Collateral.

- (1) The Debenture Trustee has no obligation to keep Collateral in its possession identifiable.
- (2) Without limiting any other rights or remedies under this Agreement, the Debenture Trustee may, upon the occurrence and during the continuance of an Event of Default, (i) notify any Person obligated on an instrument, chattel paper, security or account to make payments to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, whether or not the Obligor was previously making collections on such instruments, chattel paper or accounts, and (ii) assume control of any proceeds arising from the Collateral.
- (3) The Debenture Trustee has no obligation to collect dividends, distributions or interest payable on, or exercise any option or right in connection with, any Collateral. The Debenture Trustee has no obligation to protect or preserve any Collateral from depreciating in value or becoming worthless and is released from all responsibility for any loss of value.

Section 7 Rights of the Obligor.

- (1) Until the occurrence of an Event of Default which is continuing, the Obligor is entitled to vote the securities that are part of the Collateral and to receive all dividends and distributions on such securities. Until the occurrence of an Event of Default which is continuing, all rights of the Obligor to vote (under any proxy given by the Debenture Trustee (or its nominee), on its behalf and on behalf of the Debentureholders, or otherwise) or to receive distributions or dividends cease and all such rights become vested solely and absolutely in the Debenture Trustee.
- (2) Any distributions or dividends received by the Obligor contrary to Section 7(1) or any other moneys or property received by the Obligor after the Security Interest is enforceable will be received as trustee for the Debenture Trustee, on its behalf and on behalf of the Debentureholders, and shall be immediately paid over to the Debenture Trustee, on its behalf and on behalf of the Debentureholders.

Section 8 Expenses.

The Obligor is liable for and will pay on demand by the Debenture Trustee any and all Expenses.

Section 9 Enforcement.

The Security Interest becomes and is enforceable against the Obligor upon the occurrence and during the continuance of an Event of Default.

Section 10 Remedies.

Upon the occurrence and during the continuance of an Event of Default, the Debenture Trustee, on its behalf and on behalf of the Debentureholders, may realize upon the Collateral and enforce the rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, by:

- (a) entry onto any premises where Collateral consisting of tangible personal property may be located;
- (b) entry into possession of the Collateral by any method permitted by law;
- (c) sale, grant of options to purchase, or lease of all or any part of the Collateral;
- (d) holding, storing and keeping idle or operating all or any part of the Collateral;
- (e) exercising and enforcing all rights and remedies of a holder of the Collateral as if the Debenture Trustee, on its behalf and on behalf of the Debentureholders, were the absolute owner thereof (including, if necessary, causing the Collateral to be registered in the name of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, or its nominee if not already done);
- (f) collection of any proceeds arising in respect of the Collateral;
- (g) collection, realization or sale of, or other dealing with, accounts;
- (h) license or sublicense, whether on an exclusive or nonexclusive basis, of any intellectual property for such term and on such conditions and in such manner as the Debenture Trustee in its sole judgment determines (taking into account such provisions as may be necessary to protect and preserve such intellectual property);
- (i) instruction or order to any issuer or securities intermediary pursuant to any control the Debenture Trustee has over the Collateral;
- (j) instruction to any bank to transfer all moneys constituting Collateral held by such bank to an account maintained with or by the Debenture Trustee;
- (k) appointment by instrument in writing of a receiver (which term as used in this Agreement includes a receiver and manager) or agent of all or any part of the Collateral and removal or replacement from time to time of any receiver or agent;
- (l) institution of proceedings in any court of competent jurisdiction for the appointment of a receiver of all or any part of the Collateral;

- (m) institution of proceedings in any court of competent jurisdiction for sale or foreclosure of all or any part of the Collateral;
- (n) filing of proofs of claim and other documents to establish claims to the Collateral in any proceeding relating to the Obligor; and
- (o) any other remedy or proceeding authorized or permitted under the PPSA or otherwise by law or equity.

Section 11 Additional Rights.

In addition to the remedies set forth in Section 10 and elsewhere in this Agreement, the Debenture Trustee may, whenever the Security Interest upon the occurrence and during the continuance of an Event of Default:

- (a) require the Obligor, at the Obligor's expense, to assemble the Collateral at a place or places designated by notice in writing and the Obligor agrees to so assemble the Collateral immediately upon receipt of such notice;
- (b) require the Obligor, by notice in writing, to disclose to the Debenture Trustee the location or locations of the Collateral and the Obligor agrees to promptly make such disclosure when so required;
- (c) repair, process, modify, complete or otherwise deal with the Collateral and prepare for the disposition of the Collateral, whether on the premises of the Obligor or otherwise;
- (d) redeem any prior security interest against any Collateral, procure the transfer of such security interest to itself, or settle and pass the accounts of the prior mortgagee, chargee or encumbrancer (any accounts to be conclusive and binding on the Obligor);
- (e) pay any liability secured by any Encumbrance against any Collateral (the Obligor will immediately on demand reimburse the Debenture Trustee for all such payments);
- (f) carry on all or any part of the business of the Obligor and, to the exclusion of all others including the Obligor, enter upon, occupy and use all or any of the premises, buildings, and other property of or used by the Obligor for such time as the Debenture Trustee sees fit, free of charge, and the Debenture Trustee shall not be liable to the Obligor for any act, omission or negligence in so doing or for any rent, charges, depreciation or damages incurred in connection with or resulting from such action;
- (g) borrow for the purpose of carrying on the business of the Obligor or for the maintenance, preservation or protection of the Collateral and grant a security interest in the Collateral, whether or not in priority to the Security Interest, to secure repayment;
- (h) commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and give good and valid receipts and discharges in respect of the Collateral and compromise or give time for the payment or performance of all or any part of the accounts or any other obligation of any third party to the Obligor; and

- (i) at any public sale, and to the extent permitted by law on any private sale, bid for and purchase any or all of the Collateral offered for sale and upon compliance with the terms of such sale, hold, retain and dispose of such Collateral without any further accountability to the Obligor or any other Person with respect to such holding, retention or disposition, except as required by law. In any such sale to the Debenture Trustee, the Debenture Trustee may, for the purpose of making payment for all or any part of the Collateral so purchased, use any claim for Secured Obligations then due and payable to it as a credit against the purchase price.

Section 12 Exercise of Remedies.

The remedies under Section 10 and Section 11 may be exercised from time to time separately or in combination and are in addition to, and not in substitution for, any other rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, however arising or created, including without limitation as may arise or be created under the Debenture Indenture. The Debenture Trustee is not bound to exercise any right or remedy, and the exercise of rights and remedies is without prejudice to the rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, in respect of the Secured Obligations including the right to claim for any deficiency.

Section 13 Receiver's Powers.

- (1) Any receiver appointed by the Debenture Trustee shall be vested with the rights and remedies which could have been exercised by the Debenture Trustee, on its behalf and on behalf of the Debentureholders, in respect of the Obligor or the Collateral and such other powers and discretions as are granted in the instrument of appointment and any supplemental instruments. The identity of the receiver, its replacement and its remuneration shall be within the sole and unfettered discretion of the Debenture Trustee.
- (2) Any receiver appointed by the Debenture Trustee shall act as agent for the Debenture Trustee for the purposes of taking possession of the Collateral, but otherwise and for all other purposes (except as provided below), as agent for the Obligor. The receiver may sell, lease, or otherwise dispose of Collateral as agent for the Obligor or as agent for the Debenture Trustee as the Debenture Trustee may determine in its discretion. The Obligor agree to ratify and confirm all actions of the receiver acting as agent for the Obligor, and to release and indemnify the receiver in respect of all such actions.
- (3) The Debenture Trustee, in appointing or refraining from appointing any receiver, shall not incur liability to the receiver, the Obligor or otherwise and shall not be responsible for any misconduct or negligence of the receiver.

Section 14 Appointment of Attorney.

The Obligor hereby irrevocably constitute and appoint the Debenture Trustee (and any officer of the Debenture Trustee), on its behalf and on behalf of the Debentureholders, the true and lawful attorney of the Obligor. As the attorney of the Obligor, the Debenture Trustee has the power to exercise for and in the name of the Obligor with full power of substitution, upon the occurrence and during the continuance of an Event of Default, any of the Obligor's right (including the right of disposal), title and interest in and to the Collateral including the execution, endorsement, delivery and transfer of the Collateral to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, its nominees or transferees, and the Debenture Trustee and its nominees or transferees are hereby empowered to exercise all rights and powers and to perform all acts of ownership with respect to the Collateral to the same extent as the Obligor might do. This

power of attorney is irrevocable, is coupled with an interest, has been given for valuable consideration (the receipt and adequacy of which is acknowledged) and survives, and does not terminate upon, the bankruptcy, dissolution, winding up or insolvency of the Obligor. This power of attorney extends to and is binding upon the Obligor's successors and permitted assigns.

Section 15 Dealing with the Collateral.

- (1) The Debenture Trustee shall not be obliged to exhaust its recourse against the Obligor or any other Person or against any other security it may hold in respect of the Secured Obligations before realizing upon or otherwise dealing with the Collateral in such manner as the Debenture Trustee may consider desirable.
- (2) The Debenture Trustee may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Obligor and with other Persons, sureties or securities as it may see fit without prejudice to the Secured Obligations, the liability of the Obligor or the rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, in respect of the Collateral.
- (3) Except as otherwise provided by law or this Agreement, the Debenture Trustee shall not be:
(a) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral; (b) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or for the purpose of preserving any rights of any Persons in respect of the Collateral; (c) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal with the Collateral; or (d) bound to protect the Collateral from depreciating in value or becoming worthless.

Section 16 Standards of Sale.

Without prejudice to the ability of the Debenture Trustee to dispose of the Collateral in any manner which is commercially reasonable, the Obligor acknowledges that:

- (a) the Collateral may be disposed of in whole or in part;
- (b) the Collateral may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (c) any assignee of such Collateral may be the Debenture Trustee or a customer of the Debenture Trustee;
- (d) any sale conducted by the Debenture Trustee will be at such time and place, on such notice and in accordance with such procedures as the Debenture Trustee, in its sole discretion, may deem advantageous;
- (e) the Collateral may be disposed of in any manner and on any terms necessary to avoid violation of applicable law (including compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that the prospective bidders and purchasers have certain qualifications, and restrict the prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of the Collateral) or in order to obtain any required approval of the disposition (or of the resulting purchase) by any governmental or regulatory authority or official;

- (f) a disposition of Collateral may be on such terms and conditions as to credit or otherwise as the Debenture Trustee, in its sole discretion, may deem advantageous; and
- (g) the Debenture Trustee may establish an upset or reserve bid or price in respect of the Collateral.

Section 17 Dealings by Third Parties.

- (1) No Person dealing with the Debenture Trustee or an agent or receiver shall be required to determine (i) whether the Security Interest has become enforceable, (ii) whether the powers which such Person is purporting to exercise have become exercisable, (iii) whether any money remains due to the Debenture Trustee by the Obligor, (iv) the necessity or expediency of the stipulations and conditions subject to which any sale or lease is made, (v) the propriety or regularity of any sale or other dealing by the Debenture Trustee with the Collateral, or (vi) how any money paid to the Debenture Trustee has been applied.
- (2) Any *bona fide* purchaser of all or any part of the Collateral from the Debenture Trustee or any receiver or agent shall hold the Collateral absolutely, free from any claim or right of whatever kind, including any equity of redemption, of the Obligor, which it specifically waives (to the fullest extent permitted by law) as against any such purchaser together with all rights of redemption, stay or appraisal which the Obligor has or may have under any rule of law or statute now existing or hereafter adopted.

Section 18 Representations, Warranties and Covenants.

The Obligor represents and warrants and covenants and agrees, acknowledging and confirming that the Debenture Trustee, on its behalf and on behalf of the Debentureholders, is relying on such representations, warranties, covenants and agreements, that:

- (1) **Continuous Perfection.** Schedule “A” sets out the Obligor’s: (a) place of business or, if more than one, chief executive office; (b) registered office; and (c) jurisdiction of organization. The Obligor will not change the location of its place of business or chief executive office, as the case may be, registered office or jurisdiction of organization without providing at least thirty (30) days prior written notice to the Debenture Trustee. The Collateral, to the extent not delivered to the Debenture Trustee pursuant to Section 4, is kept and will be kept at those locations listed on Schedule “A”, and the Obligor will not remove the Collateral from such locations, without providing at least thirty (30) days prior written notice to the Debenture Trustee, provided that Collateral may be moved to another location as long as such other location is in a jurisdiction in which the Debenture Trustee has a valid and perfected first ranking security interest in the Collateral. The Obligor will not change its name in any manner without providing at least thirty (30) days prior written notice to the Debenture Trustee.

Section 19 General.

- (1) This Agreement is subject in its entirety to the terms and conditions of the Debenture Indenture and the Pledge Agreement, as applicable.
- (2) Any notice, direction or other communication to be given under this Agreement shall be in writing and given in accordance with the Debenture Indenture.

- (3) The Security Interest shall be discharged upon, but only upon: (a) full and indefeasible payment and performance of the Secured Obligations; and (b) the Debenture Trustee, on its own behalf and on behalf of the Debentureholders, having no commitments under any Security Document. Upon discharge of the Security Interest and at the request and expense of the Obligor, the Debenture Trustee shall execute and deliver to the Obligor such releases, discharges, financing statements and other documents or instruments as the Obligor may reasonably require and the Debenture Trustee will redeliver to the Obligor, or as the Obligor may otherwise direct the Debenture Trustee, any Collateral in its possession.
- (4) This Agreement does not operate by way of merger of any of the Secured Obligations and no judgment recovered by the Debenture Trustee will operate by way of merger of, or in any way affect, the Security Interest, which is in addition to, and not in substitution for, any other security now or hereafter held by the Debenture Trustee, on its own behalf or on behalf of the Debentureholders, in respect of the Secured Obligations. The representations, warranties and covenants of the Obligor in this Agreement survive the execution and delivery of this Agreement and any advances made hereunder. Notwithstanding any investigation made by or on behalf of the Debenture Trustee, the covenants, representations and warranties continue in full force and effect.
- (5) The Obligor will do all acts and things and execute and deliver, or cause to be executed and delivered, all agreements, documents and instruments that the Debenture Trustee may require and take all further steps relating to the Collateral or any other property or assets of the Obligor that the Debenture Trustee may require for: (a) protecting the Collateral; (b) perfecting, preserving and protecting the Security Interest; and (c) exercising all powers, authorities and discretions conferred upon the Debenture Trustee. Upon the occurrence and during the continuance of an Event of Default, the Obligor will do all acts and things and execute and deliver all documents and instruments that the Debenture Trustee may require for facilitating the sale or other disposition of the Collateral in connection with its realization.
- (6) This Agreement is in addition to, without prejudice to and supplemental to all other security now held or which may hereafter be held by the Debenture Trustee.
- (7) This Agreement shall be binding on the Obligor, its respective successors and assigns, and enures to the benefit of the Debenture Trustee, on its own behalf and on behalf of the Debenture Trustee, and its successors and assigns. In any action brought by an assignee to enforce any such right, the Obligor shall not assert against the assignee any claim or defence which the Obligor has or may have against the Debenture Trustee. The Obligor may not assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Debenture Trustee which may be unreasonably withheld.
- (8) The Obligor acknowledges and agrees that in the event it amalgamates with any other corporation or corporations, it is the intention of the parties that the Security Interest: (a) extends to: (i) all of the property and undertaking that any of the amalgamating corporations then owns; (ii) all of the property and undertaking that the amalgamated corporation thereafter acquires; (iii) all of the property and undertaking in which any of the amalgamating corporations then has any interest; and (iv) all of the property and undertaking in which the amalgamated corporation thereafter acquires any interest; and (b) secures the payment and performance of all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by each of the amalgamating corporations and the amalgamated corporation to the Debenture Trustee in any currency, however or wherever incurred, and whether incurred alone or jointly with another or others and whether as principal, guarantor or surety and whether incurred prior to, at the time of or

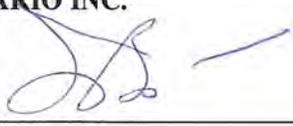
subsequent to the amalgamation. The Security Interest attaches to the additional collateral at the time of amalgamation and to any collateral thereafter owned or acquired by the amalgamated corporation when such becomes owned or is acquired. Upon any such amalgamation, the defined term “**Obligor**” means, collectively, each of the amalgamating corporations and the amalgamated corporation, the defined term “**Collateral**” means all of the property and undertaking and interests described in (a) above, and the defined term “**Secured Obligations**” means the obligations described in (b) above.

- (9) If any court of competent jurisdiction determines any provision of this Agreement to be illegal, invalid or unenforceable, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.
- (10) This Agreement may only be amended, supplemented or otherwise modified by written agreement executed by the Debenture Trustee and the Obligor.
- (11) No consent or waiver by the Debenture Trustee in respect of this Agreement is binding unless made in writing and signed by an authorized officer of the Debenture Trustee. Any consent or waiver given under this Agreement is effective only in the specific instance and for the specific purpose for which given. No waiver of any of the provisions of this Agreement constitutes a waiver of any other provision. A failure or delay on the part of the Debenture Trustee in exercising a right under this Agreement does not operate as a waiver of, or impair, any right of the Debenture Trustee however arising. A single or partial exercise of a right on the part of the Debenture Trustee does not preclude any other or further exercise of that right or the exercise of any other right by the Debenture Trustee.
- (12) This Agreement will be governed by, interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

[Signature page follows]

IN WITNESS WHEREOF the Obligor has executed this Agreement.

2702148 ONTARIO INC.

By: 

Name: Jeremy S. Budd

Title: Director

SCHEDULE "A"
RELEVANT JURISDICTIONS AND LOCATIONS

Jurisdiction of Organization: Ontario

Registered Address: Yonge Norton Centre
5255 Yonge Street, Suite 701
Toronto, Ontario M2X 6P4

Other Locations: 555 Legget Drive, Unit 536
Kanata, Ontario K2K 3B8

SECURITY AGREEMENT

Security Agreement (as amended, modified, supplemented, restated or replaced from time to time, this “**Agreement**”) dated as of June 30, 2020 (the “**Effective Date**”) made by BioCannabis Products Ltd., a corporation existing under the laws of the Province of Ontario (the “**Obligor**”) to and in favour of AST Trust Company (Canada), as debenture trustee under the Debenture Indenture (as defined herein) (in such capacity, together with its successors and assigns, the “**Debenture Trustee**”).

WHEREAS certain subscribers (the “**Debentureholders**”) have executed and delivered subscription agreements for secured convertible debentures created by and authorized by and issuable under the Debenture Indenture (as defined herein), as issued by MPX International Corporation (“**MPXI**”) on the Effective Date (the “**Secured Debentures**”);

AND WHEREAS the Secured Debentures constitute and make available to MPXI certain loan amounts that mature twenty-four (24) months from the Effective Date and bear interest at a rate of 12% per annum from the Effective Date, payable quarterly in cash in arrears pursuant to the terms and conditions of the Debenture Indenture;

AND WHEREAS the obligations of MPXI pursuant to the Secured Debentures are secured by liens on substantially all of the assets of MPXI pursuant to the Security Documents (as defined herein);

AND WHEREAS as a condition precedent to the issuance of debentures pursuant to Debenture Indenture, the Obligor will execute and deliver a guarantee (the “**Guarantee**”) in favour of the Debenture Trustee, on its own behalf and on behalf of the Debentureholders;

AND WHEREAS it is a condition precedent to the issuance of the Secured Debentures pursuant to the Debenture Indenture that the Obligor execute and deliver this Agreement in favour of the Debenture Trustee, on its own behalf and on behalf of the Debentureholders;

AND WHEREAS MPXI is an affiliate of the Obligor and due to the close business and financial relationships between Obligor and MPXI, the Obligor will derive substantial direct and indirect benefits from such transactions and therefore the Obligor considers it in its best interest to provide this Agreement;

NOW THEREFORE for good and valuable consideration, the receipt of which is hereby acknowledged, the Obligor agrees, for the benefit of the Debenture Trustee, as follows:

Section 1 Defined Terms; Interpretation.

(1) As used in this Agreement, the following terms have the following meanings:

“**Collateral**” has the meaning specified in Section 2.

“**Debenture Indenture**” means the debenture indenture entered into as of the Effective Date between MPXI and the Debenture Trustee, on its own behalf and on behalf of the Debentureholders, providing for the issuance of the Secured Debentures;

“**Encumbrance**” means any mortgage, charge, pledge, hypothecation, security interest, assignment by way of security, lien (statutory or otherwise), encumbrance, conditional sale agreement, capital lease, deposit arrangement, title retention agreement, and any other agreement, trust or arrangement that in substance secures payment or performance of an obligation.

“**Event of Default**” has the meaning specified in the Debenture Indenture.

“**Expenses**” has the meaning specified in Section 3(b).

“**Person**” means a natural person, partnership, corporation, joint stock company, trust, unincorporated association, joint venture or other entity or governmental entity, and pronouns have a similarly extended meaning.

“**Pledge Agreement**” means the securities pledge agreement to be entered into as of the Effective Date between MPXI and the Debenture Trustee, on behalf of the Debentureholders, with respect to the pledge of shares of to the Debenture Trustee, on behalf of the Debentureholders.

“**Secured Obligations**” has the meaning specified in Section 3(a).

“**Security Documents**” means this Agreement, the Guarantee, the Pledge Agreement and such further documents, instruments and other documents that may at any time be required to be provided by the Corporation to the Trustee in accordance with the terms of the Debenture Indenture.

“**Security Interest**” has the meaning specified in Section 3.

- (2) Terms defined in the *Personal Property Security Act* (Ontario) (as amended from time to time, the “**PPSA**”) or the *Securities Transfer Act, 2006* (Ontario) (“**STA**”) and used but not otherwise defined in this Agreement have the same meanings. Capitalized terms used in this Agreement but not defined have the meanings given to them in the Debenture Indenture.
- (3) In this Agreement the words “**including**”, “**includes**” and “**include**” mean “**including (or includes or include) without limitation**”. The expressions “**Section**” and other subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement. Words importing the singular number only include the plural and vice versa. The division of this Agreement into Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect its interpretation.
- (4) Any reference to this Agreement or any Security Document refers to this Agreement or such Security Document as the same may have been or may from time to time be amended, modified, extended, renewed, restated, replaced or supplemented and includes all schedules attached to it. Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules and regulations made under it as the same may have been or may from time to time be amended or re-enacted.
- (5) Any reference in this Agreement to an Encumbrance permitted by this Agreement is not intended to subordinate or postpone, and shall not be interpreted as subordinating or postponing, or as an agreement to subordinate or postpone, any Encumbrance created by any of the Security Documents to any Encumbrance permitted hereunder.

Section 2 Grant of Security.

The Obligor grants to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, a security interest in, and assign, mortgage, charge, hypothecate and pledge to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, all of the property and undertaking of the Obligor now owned or hereafter acquired and all of the property and undertaking in which the Obligor now has or hereafter acquires any interest (collectively, the “**Collateral**”) including all of the Obligor’s:

- (a) present and after acquired property;

- (b) inventory including goods held for sale, lease or resale, goods furnished or to be furnished to third parties under contracts of lease, consignment or service, goods which are raw materials or work in process, goods used in or procured for packing and materials used or consumed in the business of the Obligor;
- (c) equipment, machinery, furniture, fixtures, plant, vehicles and other goods of every kind and description and all licences and other rights and all related records, files, charts, plans, drawings, specifications, manuals and documents;
- (d) accounts due or accruing and all related agreements, books, accounts, invoices, letters, documents and papers recording, evidencing or relating to them;
- (e) money, documents of title, chattel paper, financial assets, investment property and instruments;
- (f) intangibles including all security interests, goodwill, choses in action, contracts, contract rights, licenses and other contractual benefits;
- (g) intellectual property;
- (h) all substitutions and replacements of and increases, additions and, where applicable, accessions to the property described in Section 2(a) through Section 2(g) inclusive; and
- (i) all proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in Section 2(a) through Section 2(h) inclusive, including the proceeds of such proceeds.

Section 3 Obligations Secured.

The security interest, assignment, mortgage, charge, hypothecation and pledge granted by this Agreement (collectively, the “**Security Interest**”) secures the payment and performance of:

- (a) all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by the Obligor to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, in any currency, under, in connection with or pursuant to this Agreement and any other Security Document to which the Obligor is a party, and whether incurred by the applicable Obligor alone or jointly with another or others and whether as principal, guarantor or surety and in whatever name or style (collectively, and together with the Expenses, the “**Secured Obligations**”); and
- (b) all expenses, costs and charges incurred by or on behalf of the Debenture Trustee in connection with this Agreement, the Security Interest or the Collateral, including all legal fees, court costs, receiver’s or agent’s remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling, transferring, delivering or obtaining payment for the Collateral, and of taking, defending or participating in any action or proceeding in connection with any of the foregoing matters or otherwise in connection with the Debenture Trustee’s, for its own benefit and on behalf of the Debentureholders, interest in any Collateral, whether or not directly relating to the enforcement of this Agreement or any other Security Document (collectively, the “**Expenses**”).

Section 4 Attachment.

- (1) The Obligor acknowledges that: (a) value has been given; (b) it has rights in its Collateral or the power to transfer rights in such Collateral to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, (other than after-acquired Collateral); (c) it has not agreed to postpone the time of attachment of the Security Interest; and (d) it has received a copy of this Agreement.
- (2) The Obligor will take all action that the Debenture Trustee deems advisable to cause the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, to have control over any investment property that are now or at any time become Collateral, and will: (a) deliver to and deposit with the Debenture Trustee any instruments that are Collateral; (b) cause the transfer of any instruments to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, to be registered wherever such registration may be required or advisable in the opinion of the Debenture Trustee; (c) endorse any instruments to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, or in blank or register them in the name of the Debenture Trustee or its nominee or otherwise as the Debenture Trustee may direct; and (d) deliver to the Debenture Trustee any and all consents or other documents that may be necessary to effect the transfer of any instruments to the Debenture Trustee or any third party. Notwithstanding the foregoing, and for greater certainty, the Security Interest granted hereby is subject to the terms and conditions of the Debenture Indenture and the Pledge Agreement and investment property delivered by the Obligor to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, are being held by the Debenture Trustee in trust, on a pro rata basis, on its behalf and on behalf of the Debentureholders in accordance with the terms and conditions of the Debenture Indenture and the Pledge Agreement.
- (3) The Security Interest does not extend to consumer goods.
- (4) The Security Interest does not extend or apply to the last day of the term of any lease or sublease of real property or any agreement for a lease or sublease of real property, now held or hereafter acquired by the Obligor, but the Obligor will stand possessed of any such last day upon trust to assign and dispose of it as the Debenture Trustee may reasonably direct.
- (5) To the extent that an assignment of amounts payable and other proceeds arising under or in connection with, or the grant of a security interest in any agreement, licence, permit or quota of the Obligor would result in the termination of such agreement, licence, permit or quota (each, a "**Restricted Asset**"), the Security Interest with respect to each Restricted Asset will constitute a trust created in favour of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, pursuant to which the Obligor holds as trustee all proceeds arising under or in connection with the Restricted Asset in trust for the Debenture Trustee, on its behalf and on behalf of the Debentureholders, on the following basis:
 - (a) subject to the Debenture Indenture and the Pledge Agreement, until the Security Interest is enforceable the Obligor is entitled to receive all such proceeds; and
 - (a) whenever the Security Interest is enforceable, (i) all rights of the Obligor to receive such proceeds cease and all such proceeds will be immediately paid over to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, and (ii) the Obligor will take all actions requested by the Debenture Trustee to collect and enforce payment and other rights arising under the Restricted Asset.

- (6) The Obligor will use all commercially reasonable efforts to obtain the consent of each other party to any and all Restricted Assets to the assignment of such Restricted Asset to the Debenture Trustee in accordance with this Agreement. The Obligor will also use all commercially reasonable efforts to ensure that all agreements entered into on and after the date of this Agreement expressly permit assignments of the benefits of such agreements as collateral security to the Debenture Trustee in accordance with the terms of this Agreement.

Section 5 Grant of Licence to Use Intellectual Property.

At such time as the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, is lawfully entitled to exercise its rights and remedies under Section 10 or Section 11, the Obligor grants to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, an irrevocable, nonexclusive licence (exercisable without payment of royalty or other compensation to the Obligor) to use, assign or sublicense any intellectual property in which the Obligor has rights wherever the same may be located, including in such licence access to (i) all media in which any of the licensed items may be recorded or stored, and (ii) all software and computer programs used for compilation or print-out. The license granted under this Section 5 is to enable the Debenture Trustee to exercise its rights and remedies under Section 9 through Section 17, inclusive, and for no other purpose.

Section 6 Care and Custody of Collateral.

- (1) The Debenture Trustee has no obligation to keep Collateral in its possession identifiable.
- (2) Without limiting any other rights or remedies under this Agreement, the Debenture Trustee may, upon the occurrence and during the continuance of an Event of Default, (i) notify any Person obligated on an instrument, chattel paper, security or account to make payments to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, whether or not the Obligor was previously making collections on such instruments, chattel paper or accounts, and (ii) assume control of any proceeds arising from the Collateral.
- (3) The Debenture Trustee has no obligation to collect dividends, distributions or interest payable on, or exercise any option or right in connection with, any Collateral. The Debenture Trustee has no obligation to protect or preserve any Collateral from depreciating in value or becoming worthless and is released from all responsibility for any loss of value.

Section 7 Rights of the Obligor.

- (1) Until the occurrence of an Event of Default which is continuing, the Obligor is entitled to vote the securities that are part of the Collateral and to receive all dividends and distributions on such securities. Until the occurrence of an Event of Default which is continuing, all rights of the Obligor to vote (under any proxy given by the Debenture Trustee (or its nominee), on its behalf and on behalf of the Debentureholders, or otherwise) or to receive distributions or dividends cease and all such rights become vested solely and absolutely in the Debenture Trustee.
- (2) Any distributions or dividends received by the Obligor contrary to Section 7(1) or any other moneys or property received by the Obligor after the Security Interest is enforceable will be received as trustee for the Debenture Trustee, on its behalf and on behalf of the Debentureholders, and shall be immediately paid over to the Debenture Trustee, on its behalf and on behalf of the Debentureholders.

Section 8 Expenses.

The Obligor is liable for and will pay on demand by the Debenture Trustee any and all Expenses.

Section 9 Enforcement.

The Security Interest becomes and is enforceable against the Obligor upon the occurrence and during the continuance of an Event of Default.

Section 10 Remedies.

Upon the occurrence and during the continuance of an Event of Default, the Debenture Trustee, on its behalf and on behalf of the Debentureholders, may realize upon the Collateral and enforce the rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, by:

- (a) entry onto any premises where Collateral consisting of tangible personal property may be located;
- (b) entry into possession of the Collateral by any method permitted by law;
- (c) sale, grant of options to purchase, or lease of all or any part of the Collateral;
- (d) holding, storing and keeping idle or operating all or any part of the Collateral;
- (e) exercising and enforcing all rights and remedies of a holder of the Collateral as if the Debenture Trustee, on its behalf and on behalf of the Debentureholders, were the absolute owner thereof (including, if necessary, causing the Collateral to be registered in the name of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, or its nominee if not already done);
- (f) collection of any proceeds arising in respect of the Collateral;
- (g) collection, realization or sale of, or other dealing with, accounts;
- (h) license or sublicense, whether on an exclusive or nonexclusive basis, of any intellectual property for such term and on such conditions and in such manner as the Debenture Trustee in its sole judgment determines (taking into account such provisions as may be necessary to protect and preserve such intellectual property);
- (i) instruction or order to any issuer or securities intermediary pursuant to any control the Debenture Trustee has over the Collateral;
- (j) instruction to any bank to transfer all moneys constituting Collateral held by such bank to an account maintained with or by the Debenture Trustee;
- (k) appointment by instrument in writing of a receiver (which term as used in this Agreement includes a receiver and manager) or agent of all or any part of the Collateral and removal or replacement from time to time of any receiver or agent;
- (l) institution of proceedings in any court of competent jurisdiction for the appointment of a receiver of all or any part of the Collateral;

- (m) institution of proceedings in any court of competent jurisdiction for sale or foreclosure of all or any part of the Collateral;
- (n) filing of proofs of claim and other documents to establish claims to the Collateral in any proceeding relating to the Obligor; and
- (o) any other remedy or proceeding authorized or permitted under the PPSA or otherwise by law or equity.

Section 11 Additional Rights.

In addition to the remedies set forth in Section 10 and elsewhere in this Agreement, the Debenture Trustee may, whenever the Security Interest upon the occurrence and during the continuance of an Event of Default:

- (a) require the Obligor, at the Obligor's expense, to assemble the Collateral at a place or places designated by notice in writing and the Obligor agrees to so assemble the Collateral immediately upon receipt of such notice;
- (b) require the Obligor, by notice in writing, to disclose to the Debenture Trustee the location or locations of the Collateral and the Obligor agrees to promptly make such disclosure when so required;
- (c) repair, process, modify, complete or otherwise deal with the Collateral and prepare for the disposition of the Collateral, whether on the premises of the Obligor or otherwise;
- (d) redeem any prior security interest against any Collateral, procure the transfer of such security interest to itself, or settle and pass the accounts of the prior mortgagee, chargee or encumbrancer (any accounts to be conclusive and binding on the Obligor);
- (e) pay any liability secured by any Encumbrance against any Collateral (the Obligor will immediately on demand reimburse the Debenture Trustee for all such payments);
- (f) carry on all or any part of the business of the Obligor and, to the exclusion of all others including the Obligor, enter upon, occupy and use all or any of the premises, buildings, and other property of or used by the Obligor for such time as the Debenture Trustee sees fit, free of charge, and the Debenture Trustee shall not be liable to the Obligor for any act, omission or negligence in so doing or for any rent, charges, depreciation or damages incurred in connection with or resulting from such action;
- (g) borrow for the purpose of carrying on the business of the Obligor or for the maintenance, preservation or protection of the Collateral and grant a security interest in the Collateral, whether or not in priority to the Security Interest, to secure repayment;
- (h) commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and give good and valid receipts and discharges in respect of the Collateral and compromise or give time for the payment or performance of all or any part of the accounts or any other obligation of any third party to the Obligor; and

- (i) at any public sale, and to the extent permitted by law on any private sale, bid for and purchase any or all of the Collateral offered for sale and upon compliance with the terms of such sale, hold, retain and dispose of such Collateral without any further accountability to the Obligor or any other Person with respect to such holding, retention or disposition, except as required by law. In any such sale to the Debenture Trustee, the Debenture Trustee may, for the purpose of making payment for all or any part of the Collateral so purchased, use any claim for Secured Obligations then due and payable to it as a credit against the purchase price.

Section 12 Exercise of Remedies.

The remedies under Section 10 and Section 11 may be exercised from time to time separately or in combination and are in addition to, and not in substitution for, any other rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, however arising or created, including without limitation as may arise or be created under the Debenture Indenture. The Debenture Trustee is not bound to exercise any right or remedy, and the exercise of rights and remedies is without prejudice to the rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, in respect of the Secured Obligations including the right to claim for any deficiency.

Section 13 Receiver's Powers.

- (1) Any receiver appointed by the Debenture Trustee shall be vested with the rights and remedies which could have been exercised by the Debenture Trustee, on its behalf and on behalf of the Debentureholders, in respect of the Obligor or the Collateral and such other powers and discretions as are granted in the instrument of appointment and any supplemental instruments. The identity of the receiver, its replacement and its remuneration shall be within the sole and unfettered discretion of the Debenture Trustee.
- (2) Any receiver appointed by the Debenture Trustee shall act as agent for the Debenture Trustee for the purposes of taking possession of the Collateral, but otherwise and for all other purposes (except as provided below), as agent for the Obligor. The receiver may sell, lease, or otherwise dispose of Collateral as agent for the Obligor or as agent for the Debenture Trustee as the Debenture Trustee may determine in its discretion. The Obligor agree to ratify and confirm all actions of the receiver acting as agent for the Obligor, and to release and indemnify the receiver in respect of all such actions.
- (3) The Debenture Trustee, in appointing or refraining from appointing any receiver, shall not incur liability to the receiver, the Obligor or otherwise and shall not be responsible for any misconduct or negligence of the receiver.

Section 14 Appointment of Attorney.

The Obligor hereby irrevocably constitute and appoint the Debenture Trustee (and any officer of the Debenture Trustee), on its behalf and on behalf of the Debentureholders, the true and lawful attorney of the Obligor. As the attorney of the Obligor, the Debenture Trustee has the power to exercise for and in the name of the Obligor with full power of substitution, upon the occurrence and during the continuance of an Event of Default, any of the Obligor's right (including the right of disposal), title and interest in and to the Collateral including the execution, endorsement, delivery and transfer of the Collateral to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, its nominees or transferees, and the Debenture Trustee and its nominees or transferees are hereby empowered to exercise all rights and powers and to perform all acts of ownership with respect to the Collateral to the same extent as the Obligor might do. This

power of attorney is irrevocable, is coupled with an interest, has been given for valuable consideration (the receipt and adequacy of which is acknowledged) and survives, and does not terminate upon, the bankruptcy, dissolution, winding up or insolvency of the Obligor. This power of attorney extends to and is binding upon the Obligor's successors and permitted assigns.

Section 15 Dealing with the Collateral.

- (1) The Debenture Trustee shall not be obliged to exhaust its recourse against the Obligor or any other Person or against any other security it may hold in respect of the Secured Obligations before realizing upon or otherwise dealing with the Collateral in such manner as the Debenture Trustee may consider desirable.
- (2) The Debenture Trustee may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Obligor and with other Persons, sureties or securities as it may see fit without prejudice to the Secured Obligations, the liability of the Obligor or the rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, in respect of the Collateral.
- (3) Except as otherwise provided by law or this Agreement, the Debenture Trustee shall not be:
(a) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral; (b) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or for the purpose of preserving any rights of any Persons in respect of the Collateral; (c) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal with the Collateral; or (d) bound to protect the Collateral from depreciating in value or becoming worthless.

Section 16 Standards of Sale.

Without prejudice to the ability of the Debenture Trustee to dispose of the Collateral in any manner which is commercially reasonable, the Obligor acknowledges that:

- (a) the Collateral may be disposed of in whole or in part;
- (b) the Collateral may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (c) any assignee of such Collateral may be the Debenture Trustee or a customer of the Debenture Trustee;
- (d) any sale conducted by the Debenture Trustee will be at such time and place, on such notice and in accordance with such procedures as the Debenture Trustee, in its sole discretion, may deem advantageous;
- (e) the Collateral may be disposed of in any manner and on any terms necessary to avoid violation of applicable law (including compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that the prospective bidders and purchasers have certain qualifications, and restrict the prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of the Collateral) or in order to obtain any required approval of the disposition (or of the resulting purchase) by any governmental or regulatory authority or official;

- (f) a disposition of Collateral may be on such terms and conditions as to credit or otherwise as the Debenture Trustee, in its sole discretion, may deem advantageous; and
- (g) the Debenture Trustee may establish an upset or reserve bid or price in respect of the Collateral.

Section 17 Dealings by Third Parties.

- (1) No Person dealing with the Debenture Trustee or an agent or receiver shall be required to determine (i) whether the Security Interest has become enforceable, (ii) whether the powers which such Person is purporting to exercise have become exercisable, (iii) whether any money remains due to the Debenture Trustee by the Obligor, (iv) the necessity or expediency of the stipulations and conditions subject to which any sale or lease is made, (v) the propriety or regularity of any sale or other dealing by the Debenture Trustee with the Collateral, or (vi) how any money paid to the Debenture Trustee has been applied.
- (2) Any *bona fide* purchaser of all or any part of the Collateral from the Debenture Trustee or any receiver or agent shall hold the Collateral absolutely, free from any claim or right of whatever kind, including any equity of redemption, of the Obligor, which it specifically waives (to the fullest extent permitted by law) as against any such purchaser together with all rights of redemption, stay or appraisal which the Obligor has or may have under any rule of law or statute now existing or hereafter adopted.

Section 18 Representations, Warranties and Covenants.

The Obligor represents and warrants and covenants and agrees, acknowledging and confirming that the Debenture Trustee, on its behalf and on behalf of the Debentureholders, is relying on such representations, warranties, covenants and agreements, that:

- (1) **Continuous Perfection.** Schedule “A” sets out the Obligor’s: (a) place of business or, if more than one, chief executive office: (b) registered office; and (c) jurisdiction of organization. The Obligor will not change the location of its place of business or chief executive office, as the case may be, registered office or jurisdiction of organization without providing at least thirty (30) days prior written notice to the Debenture Trustee. The Collateral, to the extent not delivered to the Debenture Trustee pursuant to Section 4, is kept and will be kept at those locations listed on Schedule “A”, and the Obligor will not remove the Collateral from such locations, without providing at least thirty (30) days prior written notice to the Debenture Trustee, provided that Collateral may be moved to another location as long as such other location is in a jurisdiction in which the Debenture Trustee has a valid and perfected first ranking security interest in the Collateral. The Obligor will not change its name in any manner without providing at least thirty (30) days prior written notice to the Debenture Trustee.

Section 19 General.

- (1) This Agreement is subject in its entirety to the terms and conditions of the Debenture Indenture and the Pledge Agreement, as applicable.
- (2) Any notice, direction or other communication to be given under this Agreement shall be in writing and given in accordance with the Debenture Indenture.

- (3) The Security Interest shall be discharged upon, but only upon: (a) full and indefeasible payment and performance of the Secured Obligations; and (b) the Debenture Trustee, on its own behalf and on behalf of the Debentureholders, having no commitments under any Security Document. Upon discharge of the Security Interest and at the request and expense of the Obligor, the Debenture Trustee shall execute and deliver to the Obligor such releases, discharges, financing statements and other documents or instruments as the Obligor may reasonably require and the Debenture Trustee will redeliver to the Obligor, or as the Obligor may otherwise direct the Debenture Trustee, any Collateral in its possession.
- (4) This Agreement does not operate by way of merger of any of the Secured Obligations and no judgment recovered by the Debenture Trustee will operate by way of merger of, or in any way affect, the Security Interest, which is in addition to, and not in substitution for, any other security now or hereafter held by the Debenture Trustee, on its own behalf or on behalf of the Debentureholders, in respect of the Secured Obligations. The representations, warranties and covenants of the Obligor in this Agreement survive the execution and delivery of this Agreement and any advances made hereunder. Notwithstanding any investigation made by or on behalf of the Debenture Trustee, the covenants, representations and warranties continue in full force and effect.
- (5) The Obligor will do all acts and things and execute and deliver, or cause to be executed and delivered, all agreements, documents and instruments that the Debenture Trustee may require and take all further steps relating to the Collateral or any other property or assets of the Obligor that the Debenture Trustee may require for: (a) protecting the Collateral; (b) perfecting, preserving and protecting the Security Interest; and (c) exercising all powers, authorities and discretions conferred upon the Debenture Trustee. Upon the occurrence and during the continuance of an Event of Default, the Obligor will do all acts and things and execute and deliver all documents and instruments that the Debenture Trustee may require for facilitating the sale or other disposition of the Collateral in connection with its realization.
- (6) This Agreement is in addition to, without prejudice to and supplemental to all other security now held or which may hereafter be held by the Debenture Trustee.
- (7) This Agreement shall be binding on the Obligor, its respective successors and assigns, and enures to the benefit of the Debenture Trustee, on its own behalf and on behalf of the Debenture Trustee, and its successors and assigns. In any action brought by an assignee to enforce any such right, the Obligor shall not assert against the assignee any claim or defence which the Obligor has or may have against the Debenture Trustee. The Obligor may not assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Debenture Trustee which may be unreasonably withheld.
- (8) The Obligor acknowledges and agrees that in the event it amalgamates with any other corporation or corporations, it is the intention of the parties that the Security Interest: (a) extends to: (i) all of the property and undertaking that any of the amalgamating corporations then owns; (ii) all of the property and undertaking that the amalgamated corporation thereafter acquires; (iii) all of the property and undertaking in which any of the amalgamating corporations then has any interest; and (iv) all of the property and undertaking in which the amalgamated corporation thereafter acquires any interest; and (b) secures the payment and performance of all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by each of the amalgamating corporations and the amalgamated corporation to the Debenture Trustee in any currency, however or wherever incurred, and whether incurred alone or jointly with another or others and whether as principal, guarantor or surety and whether incurred prior to, at the time of or

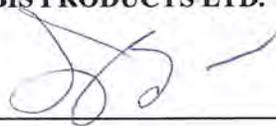
subsequent to the amalgamation. The Security Interest attaches to the additional collateral at the time of amalgamation and to any collateral thereafter owned or acquired by the amalgamated corporation when such becomes owned or is acquired. Upon any such amalgamation, the defined term “**Obligor**” means, collectively, each of the amalgamating corporations and the amalgamated corporation, the defined term “**Collateral**” means all of the property and undertaking and interests described in (a) above, and the defined term “**Secured Obligations**” means the obligations described in (b) above.

- (9) If any court of competent jurisdiction determines any provision of this Agreement to be illegal, invalid or unenforceable, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.
- (10) This Agreement may only be amended, supplemented or otherwise modified by written agreement executed by the Debenture Trustee and the Obligor.
- (11) No consent or waiver by the Debenture Trustee in respect of this Agreement is binding unless made in writing and signed by an authorized officer of the Debenture Trustee. Any consent or waiver given under this Agreement is effective only in the specific instance and for the specific purpose for which given. No waiver of any of the provisions of this Agreement constitutes a waiver of any other provision. A failure or delay on the part of the Debenture Trustee in exercising a right under this Agreement does not operate as a waiver of, or impair, any right of the Debenture Trustee however arising. A single or partial exercise of a right on the part of the Debenture Trustee does not preclude any other or further exercise of that right or the exercise of any other right by the Debenture Trustee.
- (12) This Agreement will be governed by, interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

[Signature page follows]

IN WITNESS WHEREOF the Obligor has executed this Agreement.

BIOCANNABIS PRODUCTS LTD.

By: 

Name: W. Scott Boyes

Title: Director

SCHEDULE "A"
RELEVANT JURISDICTIONS AND LOCATIONS

Jurisdiction of Organization: Ontario

Registered Address: Yonge Norton Centre
5255 Yonge Street, Suite 701
Toronto, Ontario M2X 6P4

Other Locations: 1799 20th Street East
Owen Sound, Ontario N4K 1Z4

SECURITY AGREEMENT

Security Agreement (as amended, modified, supplemented, restated or replaced from time to time, this “**Agreement**”) dated as of June 30, 2020 (the “**Effective Date**”) made by Canveda Inc., a corporation existing under the federal laws of Canada (the “**Obligor**”) to and in favour of AST Trust Company (Canada), as debenture trustee under the Debenture Indenture (as defined herein) (in such capacity, together with its successors and assigns, the “**Debenture Trustee**”).

WHEREAS certain subscribers (the “**Debentureholders**”) have executed and delivered subscription agreements for secured convertible debentures created by and authorized by and issuable under the Debenture Indenture (as defined herein), as issued by MPX International Corporation (“**MPXI**”) on the Effective Date (the “**Secured Debentures**”);

AND WHEREAS the Secured Debentures constitute and make available to MPXI certain loan amounts that mature twenty-four (24) months from the Effective Date and bear interest at a rate of 12% per annum from the Effective Date, payable quarterly in cash in arrears pursuant to the terms and conditions of the Debenture Indenture;

AND WHEREAS the obligations of MPXI pursuant to the Secured Debentures are secured by liens on substantially all of the assets of MPXI pursuant to the Security Documents (as defined herein);

AND WHEREAS as a condition precedent to the issuance of debentures pursuant to Debenture Indenture, the Obligor will execute and deliver a guarantee (the “**Guarantee**”) in favour of the Debenture Trustee, on its own behalf and on behalf of the Debentureholders;

AND WHEREAS it is a condition precedent to the issuance of the Secured Debentures pursuant to the Debenture Indenture that the Obligor execute and deliver this Agreement in favour of the Debenture Trustee, on its own behalf and on behalf of the Debentureholders;

AND WHEREAS MPXI is an affiliate of the Obligor and due to the close business and financial relationships between Obligor and MPXI, the Obligor will derive substantial direct and indirect benefits from such transactions and therefore the Obligor considers it in its best interest to provide this Agreement;

NOW THEREFORE for good and valuable consideration, the receipt of which is hereby acknowledged, the Obligor agrees, for the benefit of the Debenture Trustee, as follows:

Section 1 Defined Terms; Interpretation.

(1) As used in this Agreement, the following terms have the following meanings:

“**Collateral**” has the meaning specified in Section 2.

“**Debenture Indenture**” means the debenture indenture entered into as of the Effective Date between MPXI and the Debenture Trustee, on its own behalf and on behalf of the Debentureholders, providing for the issuance of the Secured Debentures;

“**Encumbrance**” means any mortgage, charge, pledge, hypothecation, security interest, assignment by way of security, lien (statutory or otherwise), encumbrance, conditional sale agreement, capital lease, deposit arrangement, title retention agreement, and any other agreement, trust or arrangement that in substance secures payment or performance of an obligation.

“**Event of Default**” has the meaning specified in the Debenture Indenture.

“**Expenses**” has the meaning specified in Section 3(b).

“**Person**” means a natural person, partnership, corporation, joint stock company, trust, unincorporated association, joint venture or other entity or governmental entity, and pronouns have a similarly extended meaning.

“**Pledge Agreement**” means the securities pledge agreement to be entered into as of the Effective Date between MPXI and the Debenture Trustee, on behalf of the Debentureholders, with respect to the pledge of shares of to the Debenture Trustee, on behalf of the Debentureholders.

“**Secured Obligations**” has the meaning specified in Section 3(a).

“**Security Documents**” means this Agreement, the Guarantee, the Pledge Agreement and such further documents, instruments and other documents that may at any time be required to be provided by the Corporation to the Trustee in accordance with the terms of the Debenture Indenture.

“**Security Interest**” has the meaning specified in Section 3.

- (2) Terms defined in the *Personal Property Security Act* (Ontario) (as amended from time to time, the “**PPSA**”) or the *Securities Transfer Act, 2006* (Ontario) (“**STA**”) and used but not otherwise defined in this Agreement have the same meanings. Capitalized terms used in this Agreement but not defined have the meanings given to them in the Debenture Indenture.
- (3) In this Agreement the words “**including**”, “**includes**” and “**include**” mean “**including (or includes or include) without limitation**”. The expressions “**Section**” and other subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement. Words importing the singular number only include the plural and vice versa. The division of this Agreement into Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect its interpretation.
- (4) Any reference to this Agreement or any Security Document refers to this Agreement or such Security Document as the same may have been or may from time to time be amended, modified, extended, renewed, restated, replaced or supplemented and includes all schedules attached to it. Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules and regulations made under it as the same may have been or may from time to time be amended or re-enacted.
- (5) Any reference in this Agreement to an Encumbrance permitted by this Agreement is not intended to subordinate or postpone, and shall not be interpreted as subordinating or postponing, or as an agreement to subordinate or postpone, any Encumbrance created by any of the Security Documents to any Encumbrance permitted hereunder.

Section 2 Grant of Security.

The Obligor grants to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, a security interest in, and assign, mortgage, charge, hypothecate and pledge to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, all of the property and undertaking of the Obligor now owned or hereafter acquired and all of the property and undertaking in which the Obligor now has or hereafter acquires any interest (collectively, the “**Collateral**”) including all of the Obligor’s:

- (a) present and after acquired property;

- (b) inventory including goods held for sale, lease or resale, goods furnished or to be furnished to third parties under contracts of lease, consignment or service, goods which are raw materials or work in process, goods used in or procured for packing and materials used or consumed in the business of the Obligor;
- (c) equipment, machinery, furniture, fixtures, plant, vehicles and other goods of every kind and description and all licences and other rights and all related records, files, charts, plans, drawings, specifications, manuals and documents;
- (d) accounts due or accruing and all related agreements, books, accounts, invoices, letters, documents and papers recording, evidencing or relating to them;
- (e) money, documents of title, chattel paper, financial assets, investment property and instruments;
- (f) intangibles including all security interests, goodwill, choses in action, contracts, contract rights, licenses and other contractual benefits;
- (g) intellectual property;
- (h) all substitutions and replacements of and increases, additions and, where applicable, accessions to the property described in Section 2(a) through Section 2(g) inclusive; and
- (i) all proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in Section 2(a) through Section 2(h) inclusive, including the proceeds of such proceeds.

Section 3 Obligations Secured.

The security interest, assignment, mortgage, charge, hypothecation and pledge granted by this Agreement (collectively, the “**Security Interest**”) secures the payment and performance of:

- (a) all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by the Obligor to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, in any currency, under, in connection with or pursuant to this Agreement and any other Security Document to which the Obligor is a party, and whether incurred by the applicable Obligor alone or jointly with another or others and whether as principal, guarantor or surety and in whatever name or style (collectively, and together with the Expenses, the “**Secured Obligations**”); and
- (b) all expenses, costs and charges incurred by or on behalf of the Debenture Trustee in connection with this Agreement, the Security Interest or the Collateral, including all legal fees, court costs, receiver’s or agent’s remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling, transferring, delivering or obtaining payment for the Collateral, and of taking, defending or participating in any action or proceeding in connection with any of the foregoing matters or otherwise in connection with the Debenture Trustee’s, for its own benefit and on behalf of the Debentureholders, interest in any Collateral, whether or not directly relating to the enforcement of this Agreement or any other Security Document (collectively, the “**Expenses**”).

Section 4 Attachment.

- (1) The Obligor acknowledges that: (a) value has been given; (b) it has rights in its Collateral or the power to transfer rights in such Collateral to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, (other than after-acquired Collateral); (c) it has not agreed to postpone the time of attachment of the Security Interest; and (d) it has received a copy of this Agreement.
- (2) The Obligor will take all action that the Debenture Trustee deems advisable to cause the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, to have control over any investment property that are now or at any time become Collateral, and will: (a) deliver to and deposit with the Debenture Trustee any instruments that are Collateral; (b) cause the transfer of any instruments to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, to be registered wherever such registration may be required or advisable in the opinion of the Debenture Trustee; (c) endorse any instruments to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, or in blank or register them in the name of the Debenture Trustee or its nominee or otherwise as the Debenture Trustee may direct; and (d) deliver to the Debenture Trustee any and all consents or other documents that may be necessary to effect the transfer of any instruments to the Debenture Trustee or any third party. Notwithstanding the foregoing, and for greater certainty, the Security Interest granted hereby is subject to the terms and conditions of the Debenture Indenture and the Pledge Agreement and investment property delivered by the Obligor to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, are being held by the Debenture Trustee in trust, on a pro rata basis, on its behalf and on behalf of the Debentureholders in accordance with the terms and conditions of the Debenture Indenture and the Pledge Agreement.
- (3) The Security Interest does not extend to consumer goods.
- (4) The Security Interest does not extend or apply to the last day of the term of any lease or sublease of real property or any agreement for a lease or sublease of real property, now held or hereafter acquired by the Obligor, but the Obligor will stand possessed of any such last day upon trust to assign and dispose of it as the Debenture Trustee may reasonably direct.
- (5) To the extent that an assignment of amounts payable and other proceeds arising under or in connection with, or the grant of a security interest in any agreement, licence, permit or quota of the Obligor would result in the termination of such agreement, licence, permit or quota (each, a "**Restricted Asset**"), the Security Interest with respect to each Restricted Asset will constitute a trust created in favour of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, pursuant to which the Obligor holds as trustee all proceeds arising under or in connection with the Restricted Asset in trust for the Debenture Trustee, on its behalf and on behalf of the Debentureholders, on the following basis:
 - (a) subject to the Debenture Indenture and the Pledge Agreement, until the Security Interest is enforceable the Obligor is entitled to receive all such proceeds; and
 - (a) whenever the Security Interest is enforceable, (i) all rights of the Obligor to receive such proceeds cease and all such proceeds will be immediately paid over to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, and (ii) the Obligor will take all actions requested by the Debenture Trustee to collect and enforce payment and other rights arising under the Restricted Asset.

- (6) The Obligor will use all commercially reasonable efforts to obtain the consent of each other party to any and all Restricted Assets to the assignment of such Restricted Asset to the Debenture Trustee in accordance with this Agreement. The Obligor will also use all commercially reasonable efforts to ensure that all agreements entered into on and after the date of this Agreement expressly permit assignments of the benefits of such agreements as collateral security to the Debenture Trustee in accordance with the terms of this Agreement.

Section 5 Grant of Licence to Use Intellectual Property.

At such time as the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, is lawfully entitled to exercise its rights and remedies under Section 10 or Section 11, the Obligor grants to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, an irrevocable, nonexclusive licence (exercisable without payment of royalty or other compensation to the Obligor) to use, assign or sublicense any intellectual property in which the Obligor has rights wherever the same may be located, including in such licence access to (i) all media in which any of the licensed items may be recorded or stored, and (ii) all software and computer programs used for compilation or print-out. The license granted under this Section 5 is to enable the Debenture Trustee to exercise its rights and remedies under Section 9 through Section 17, inclusive, and for no other purpose.

Section 6 Care and Custody of Collateral.

- (1) The Debenture Trustee has no obligation to keep Collateral in its possession identifiable.
- (2) Without limiting any other rights or remedies under this Agreement, the Debenture Trustee may, upon the occurrence and during the continuance of an Event of Default, (i) notify any Person obligated on an instrument, chattel paper, security or account to make payments to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, whether or not the Obligor was previously making collections on such instruments, chattel paper or accounts, and (ii) assume control of any proceeds arising from the Collateral.
- (3) The Debenture Trustee has no obligation to collect dividends, distributions or interest payable on, or exercise any option or right in connection with, any Collateral. The Debenture Trustee has no obligation to protect or preserve any Collateral from depreciating in value or becoming worthless and is released from all responsibility for any loss of value.

Section 7 Rights of the Obligor.

- (1) Until the occurrence of an Event of Default which is continuing, the Obligor is entitled to vote the securities that are part of the Collateral and to receive all dividends and distributions on such securities. Until the occurrence of an Event of Default which is continuing, all rights of the Obligor to vote (under any proxy given by the Debenture Trustee (or its nominee), on its behalf and on behalf of the Debentureholders, or otherwise) or to receive distributions or dividends cease and all such rights become vested solely and absolutely in the Debenture Trustee.
- (2) Any distributions or dividends received by the Obligor contrary to Section 7(1) or any other moneys or property received by the Obligor after the Security Interest is enforceable will be received as trustee for the Debenture Trustee, on its behalf and on behalf of the Debentureholders, and shall be immediately paid over to the Debenture Trustee, on its behalf and on behalf of the Debentureholders.

Section 8 Expenses.

The Obligor is liable for and will pay on demand by the Debenture Trustee any and all Expenses.

Section 9 Enforcement.

The Security Interest becomes and is enforceable against the Obligor upon the occurrence and during the continuance of an Event of Default.

Section 10 Remedies.

Upon the occurrence and during the continuance of an Event of Default, the Debenture Trustee, on its behalf and on behalf of the Debentureholders, may realize upon the Collateral and enforce the rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, by:

- (a) entry onto any premises where Collateral consisting of tangible personal property may be located;
- (b) entry into possession of the Collateral by any method permitted by law;
- (c) sale, grant of options to purchase, or lease of all or any part of the Collateral;
- (d) holding, storing and keeping idle or operating all or any part of the Collateral;
- (e) exercising and enforcing all rights and remedies of a holder of the Collateral as if the Debenture Trustee, on its behalf and on behalf of the Debentureholders, were the absolute owner thereof (including, if necessary, causing the Collateral to be registered in the name of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, or its nominee if not already done);
- (f) collection of any proceeds arising in respect of the Collateral;
- (g) collection, realization or sale of, or other dealing with, accounts;
- (h) license or sublicense, whether on an exclusive or nonexclusive basis, of any intellectual property for such term and on such conditions and in such manner as the Debenture Trustee in its sole judgment determines (taking into account such provisions as may be necessary to protect and preserve such intellectual property);
- (i) instruction or order to any issuer or securities intermediary pursuant to any control the Debenture Trustee has over the Collateral;
- (j) instruction to any bank to transfer all moneys constituting Collateral held by such bank to an account maintained with or by the Debenture Trustee;
- (k) appointment by instrument in writing of a receiver (which term as used in this Agreement includes a receiver and manager) or agent of all or any part of the Collateral and removal or replacement from time to time of any receiver or agent;
- (l) institution of proceedings in any court of competent jurisdiction for the appointment of a receiver of all or any part of the Collateral;

- (m) institution of proceedings in any court of competent jurisdiction for sale or foreclosure of all or any part of the Collateral;
- (n) filing of proofs of claim and other documents to establish claims to the Collateral in any proceeding relating to the Obligor; and
- (o) any other remedy or proceeding authorized or permitted under the PPSA or otherwise by law or equity.

Section 11 Additional Rights.

In addition to the remedies set forth in Section 10 and elsewhere in this Agreement, the Debenture Trustee may, whenever the Security Interest upon the occurrence and during the continuance of an Event of Default:

- (a) require the Obligor, at the Obligor's expense, to assemble the Collateral at a place or places designated by notice in writing and the Obligor agrees to so assemble the Collateral immediately upon receipt of such notice;
- (b) require the Obligor, by notice in writing, to disclose to the Debenture Trustee the location or locations of the Collateral and the Obligor agrees to promptly make such disclosure when so required;
- (c) repair, process, modify, complete or otherwise deal with the Collateral and prepare for the disposition of the Collateral, whether on the premises of the Obligor or otherwise;
- (d) redeem any prior security interest against any Collateral, procure the transfer of such security interest to itself, or settle and pass the accounts of the prior mortgagee, chargee or encumbrancer (any accounts to be conclusive and binding on the Obligor);
- (e) pay any liability secured by any Encumbrance against any Collateral (the Obligor will immediately on demand reimburse the Debenture Trustee for all such payments);
- (f) carry on all or any part of the business of the Obligor and, to the exclusion of all others including the Obligor, enter upon, occupy and use all or any of the premises, buildings, and other property of or used by the Obligor for such time as the Debenture Trustee sees fit, free of charge, and the Debenture Trustee shall not be liable to the Obligor for any act, omission or negligence in so doing or for any rent, charges, depreciation or damages incurred in connection with or resulting from such action;
- (g) borrow for the purpose of carrying on the business of the Obligor or for the maintenance, preservation or protection of the Collateral and grant a security interest in the Collateral, whether or not in priority to the Security Interest, to secure repayment;
- (h) commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and give good and valid receipts and discharges in respect of the Collateral and compromise or give time for the payment or performance of all or any part of the accounts or any other obligation of any third party to the Obligor; and

- (i) at any public sale, and to the extent permitted by law on any private sale, bid for and purchase any or all of the Collateral offered for sale and upon compliance with the terms of such sale, hold, retain and dispose of such Collateral without any further accountability to the Obligor or any other Person with respect to such holding, retention or disposition, except as required by law. In any such sale to the Debenture Trustee, the Debenture Trustee may, for the purpose of making payment for all or any part of the Collateral so purchased, use any claim for Secured Obligations then due and payable to it as a credit against the purchase price.

Section 12 Exercise of Remedies.

The remedies under Section 10 and Section 11 may be exercised from time to time separately or in combination and are in addition to, and not in substitution for, any other rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, however arising or created, including without limitation as may arise or be created under the Debenture Indenture. The Debenture Trustee is not bound to exercise any right or remedy, and the exercise of rights and remedies is without prejudice to the rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, in respect of the Secured Obligations including the right to claim for any deficiency.

Section 13 Receiver's Powers.

- (1) Any receiver appointed by the Debenture Trustee shall be vested with the rights and remedies which could have been exercised by the Debenture Trustee, on its behalf and on behalf of the Debentureholders, in respect of the Obligor or the Collateral and such other powers and discretions as are granted in the instrument of appointment and any supplemental instruments. The identity of the receiver, its replacement and its remuneration shall be within the sole and unfettered discretion of the Debenture Trustee.
- (2) Any receiver appointed by the Debenture Trustee shall act as agent for the Debenture Trustee for the purposes of taking possession of the Collateral, but otherwise and for all other purposes (except as provided below), as agent for the Obligor. The receiver may sell, lease, or otherwise dispose of Collateral as agent for the Obligor or as agent for the Debenture Trustee as the Debenture Trustee may determine in its discretion. The Obligor agree to ratify and confirm all actions of the receiver acting as agent for the Obligor, and to release and indemnify the receiver in respect of all such actions.
- (3) The Debenture Trustee, in appointing or refraining from appointing any receiver, shall not incur liability to the receiver, the Obligor or otherwise and shall not be responsible for any misconduct or negligence of the receiver.

Section 14 Appointment of Attorney.

The Obligor hereby irrevocably constitute and appoint the Debenture Trustee (and any officer of the Debenture Trustee), on its behalf and on behalf of the Debentureholders, the true and lawful attorney of the Obligor. As the attorney of the Obligor, the Debenture Trustee has the power to exercise for and in the name of the Obligor with full power of substitution, upon the occurrence and during the continuance of an Event of Default, any of the Obligor's right (including the right of disposal), title and interest in and to the Collateral including the execution, endorsement, delivery and transfer of the Collateral to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, its nominees or transferees, and the Debenture Trustee and its nominees or transferees are hereby empowered to exercise all rights and powers and to perform all acts of ownership with respect to the Collateral to the same extent as the Obligor might do. This

power of attorney is irrevocable, is coupled with an interest, has been given for valuable consideration (the receipt and adequacy of which is acknowledged) and survives, and does not terminate upon, the bankruptcy, dissolution, winding up or insolvency of the Obligor. This power of attorney extends to and is binding upon the Obligor's successors and permitted assigns.

Section 15 Dealing with the Collateral.

- (1) The Debenture Trustee shall not be obliged to exhaust its recourse against the Obligor or any other Person or against any other security it may hold in respect of the Secured Obligations before realizing upon or otherwise dealing with the Collateral in such manner as the Debenture Trustee may consider desirable.
- (2) The Debenture Trustee may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Obligor and with other Persons, sureties or securities as it may see fit without prejudice to the Secured Obligations, the liability of the Obligor or the rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, in respect of the Collateral.
- (3) Except as otherwise provided by law or this Agreement, the Debenture Trustee shall not be:
(a) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral; (b) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or for the purpose of preserving any rights of any Persons in respect of the Collateral; (c) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal with the Collateral; or (d) bound to protect the Collateral from depreciating in value or becoming worthless.

Section 16 Standards of Sale.

Without prejudice to the ability of the Debenture Trustee to dispose of the Collateral in any manner which is commercially reasonable, the Obligor acknowledges that:

- (a) the Collateral may be disposed of in whole or in part;
- (b) the Collateral may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (c) any assignee of such Collateral may be the Debenture Trustee or a customer of the Debenture Trustee;
- (d) any sale conducted by the Debenture Trustee will be at such time and place, on such notice and in accordance with such procedures as the Debenture Trustee, in its sole discretion, may deem advantageous;
- (e) the Collateral may be disposed of in any manner and on any terms necessary to avoid violation of applicable law (including compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that the prospective bidders and purchasers have certain qualifications, and restrict the prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of the Collateral) or in order to obtain any required approval of the disposition (or of the resulting purchase) by any governmental or regulatory authority or official;

- (f) a disposition of Collateral may be on such terms and conditions as to credit or otherwise as the Debenture Trustee, in its sole discretion, may deem advantageous; and
- (g) the Debenture Trustee may establish an upset or reserve bid or price in respect of the Collateral.

Section 17 Dealings by Third Parties.

- (1) No Person dealing with the Debenture Trustee or an agent or receiver shall be required to determine (i) whether the Security Interest has become enforceable, (ii) whether the powers which such Person is purporting to exercise have become exercisable, (iii) whether any money remains due to the Debenture Trustee by the Obligor, (iv) the necessity or expediency of the stipulations and conditions subject to which any sale or lease is made, (v) the propriety or regularity of any sale or other dealing by the Debenture Trustee with the Collateral, or (vi) how any money paid to the Debenture Trustee has been applied.
- (2) Any *bona fide* purchaser of all or any part of the Collateral from the Debenture Trustee or any receiver or agent shall hold the Collateral absolutely, free from any claim or right of whatever kind, including any equity of redemption, of the Obligor, which it specifically waives (to the fullest extent permitted by law) as against any such purchaser together with all rights of redemption, stay or appraisal which the Obligor has or may have under any rule of law or statute now existing or hereafter adopted.

Section 18 Representations, Warranties and Covenants.

The Obligor represents and warrants and covenants and agrees, acknowledging and confirming that the Debenture Trustee, on its behalf and on behalf of the Debentureholders, is relying on such representations, warranties, covenants and agreements, that:

- (1) **Continuous Perfection.** Schedule “A” sets out the Obligor’s: (a) place of business or, if more than one, chief executive office: (b) registered office; and (c) jurisdiction of organization. The Obligor will not change the location of its place of business or chief executive office, as the case may be, registered office or jurisdiction of organization without providing at least thirty (30) days prior written notice to the Debenture Trustee. The Collateral, to the extent not delivered to the Debenture Trustee pursuant to Section 4, is kept and will be kept at those locations listed on Schedule “A”, and the Obligor will not remove the Collateral from such locations, without providing at least thirty (30) days prior written notice to the Debenture Trustee, provided that Collateral may be moved to another location as long as such other location is in a jurisdiction in which the Debenture Trustee has a valid and perfected first ranking security interest in the Collateral. The Obligor will not change its name in any manner without providing at least thirty (30) days prior written notice to the Debenture Trustee.

Section 19 General.

- (1) This Agreement is subject in its entirety to the terms and conditions of the Debenture Indenture and the Pledge Agreement, as applicable.
- (2) Any notice, direction or other communication to be given under this Agreement shall be in writing and given in accordance with the Debenture Indenture.

- (3) The Security Interest shall be discharged upon, but only upon: (a) full and indefeasible payment and performance of the Secured Obligations; and (b) the Debenture Trustee, on its own behalf and on behalf of the Debentureholders, having no commitments under any Security Document. Upon discharge of the Security Interest and at the request and expense of the Obligor, the Debenture Trustee shall execute and deliver to the Obligor such releases, discharges, financing statements and other documents or instruments as the Obligor may reasonably require and the Debenture Trustee will redeliver to the Obligor, or as the Obligor may otherwise direct the Debenture Trustee, any Collateral in its possession.
- (4) This Agreement does not operate by way of merger of any of the Secured Obligations and no judgment recovered by the Debenture Trustee will operate by way of merger of, or in any way affect, the Security Interest, which is in addition to, and not in substitution for, any other security now or hereafter held by the Debenture Trustee, on its own behalf or on behalf of the Debentureholders, in respect of the Secured Obligations. The representations, warranties and covenants of the Obligor in this Agreement survive the execution and delivery of this Agreement and any advances made hereunder. Notwithstanding any investigation made by or on behalf of the Debenture Trustee, the covenants, representations and warranties continue in full force and effect.
- (5) The Obligor will do all acts and things and execute and deliver, or cause to be executed and delivered, all agreements, documents and instruments that the Debenture Trustee may require and take all further steps relating to the Collateral or any other property or assets of the Obligor that the Debenture Trustee may require for: (a) protecting the Collateral; (b) perfecting, preserving and protecting the Security Interest; and (c) exercising all powers, authorities and discretions conferred upon the Debenture Trustee. Upon the occurrence and during the continuance of an Event of Default, the Obligor will do all acts and things and execute and deliver all documents and instruments that the Debenture Trustee may require for facilitating the sale or other disposition of the Collateral in connection with its realization.
- (6) This Agreement is in addition to, without prejudice to and supplemental to all other security now held or which may hereafter be held by the Debenture Trustee.
- (7) This Agreement shall be binding on the Obligor, its respective successors and assigns, and enures to the benefit of the Debenture Trustee, on its own behalf and on behalf of the Debenture Trustee, and its successors and assigns. In any action brought by an assignee to enforce any such right, the Obligor shall not assert against the assignee any claim or defence which the Obligor has or may have against the Debenture Trustee. The Obligor may not assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Debenture Trustee which may be unreasonably withheld.
- (8) The Obligor acknowledges and agrees that in the event it amalgamates with any other corporation or corporations, it is the intention of the parties that the Security Interest: (a) extends to: (i) all of the property and undertaking that any of the amalgamating corporations then owns; (ii) all of the property and undertaking that the amalgamated corporation thereafter acquires; (iii) all of the property and undertaking in which any of the amalgamating corporations then has any interest; and (iv) all of the property and undertaking in which the amalgamated corporation thereafter acquires any interest; and (b) secures the payment and performance of all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by each of the amalgamating corporations and the amalgamated corporation to the Debenture Trustee in any currency, however or wherever incurred, and whether incurred alone or jointly with another or others and whether as principal, guarantor or surety and whether incurred prior to, at the time of or

subsequent to the amalgamation. The Security Interest attaches to the additional collateral at the time of amalgamation and to any collateral thereafter owned or acquired by the amalgamated corporation when such becomes owned or is acquired. Upon any such amalgamation, the defined term “**Obligor**” means, collectively, each of the amalgamating corporations and the amalgamated corporation, the defined term “**Collateral**” means all of the property and undertaking and interests described in (a) above, and the defined term “**Secured Obligations**” means the obligations described in (b) above.

- (9) If any court of competent jurisdiction determines any provision of this Agreement to be illegal, invalid or unenforceable, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.
- (10) This Agreement may only be amended, supplemented or otherwise modified by written agreement executed by the Debenture Trustee and the Obligor.
- (11) No consent or waiver by the Debenture Trustee in respect of this Agreement is binding unless made in writing and signed by an authorized officer of the Debenture Trustee. Any consent or waiver given under this Agreement is effective only in the specific instance and for the specific purpose for which given. No waiver of any of the provisions of this Agreement constitutes a waiver of any other provision. A failure or delay on the part of the Debenture Trustee in exercising a right under this Agreement does not operate as a waiver of, or impair, any right of the Debenture Trustee however arising. A single or partial exercise of a right on the part of the Debenture Trustee does not preclude any other or further exercise of that right or the exercise of any other right by the Debenture Trustee.
- (12) This Agreement will be governed by, interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

[Signature page follows]

IN WITNESS WHEREOF the Obligor has executed this Agreement.

CANVEDA INC.

By:



Name: W. Scott Boyes

Title: Director

SCHEDULE "A"
RELEVANT JURISDICTIONS AND LOCATIONS

Jurisdiction of Organization: Federal (Canada)

Registered Address: Yonge Norton Centre
5255 Yonge Street, Suite 701
Toronto, Ontario M2X 6P4

Other Locations: 760 Technology Drive
Peterborough, Ontario K9J 6X7

SECURITY AGREEMENT

Security Agreement (as amended, modified, supplemented, restated or replaced from time to time, this “**Agreement**”) dated as of June 30, 2020 (the “**Effective Date**”) made by MPXI Alberta Corporation, a corporation existing under the laws of the Province of Alberta (the “**Obligor**”) to and in favour of AST Trust Company (Canada), as debenture trustee under the Debenture Indenture (as defined herein) (in such capacity, together with its successors and assigns, the “**Debenture Trustee**”).

WHEREAS certain subscribers (the “**Debentureholders**”) have executed and delivered subscription agreements for secured convertible debentures created by and authorized by and issuable under the Debenture Indenture (as defined herein), as issued by MPX International Corporation (“**MPXI**”) on the Effective Date (the “**Secured Debentures**”);

AND WHEREAS the Secured Debentures constitute and make available to MPXI certain loan amounts that mature twenty-four (24) months from the Effective Date and bear interest at a rate of 12% per annum from the Effective Date, payable quarterly in cash in arrears pursuant to the terms and conditions of the Debenture Indenture;

AND WHEREAS the obligations of MPXI pursuant to the Secured Debentures are secured by liens on substantially all of the assets of MPXI pursuant to the Security Documents (as defined herein);

AND WHEREAS as a condition precedent to the issuance of debentures pursuant to Debenture Indenture, the Obligor will execute and deliver a guarantee (the “**Guarantee**”) in favour of the Debenture Trustee, on its own behalf and on behalf of the Debentureholders;

AND WHEREAS it is a condition precedent to the issuance of the Secured Debentures pursuant to the Debenture Indenture that the Obligor execute and deliver this Agreement in favour of the Debenture Trustee, on its own behalf and on behalf of the Debentureholders;

AND WHEREAS MPXI is an affiliate of the Obligor and due to the close business and financial relationships between Obligor and MPXI, the Obligor will derive substantial direct and indirect benefits from such transactions and therefore the Obligor considers it in its best interest to provide this Agreement;

NOW THEREFORE for good and valuable consideration, the receipt of which is hereby acknowledged, the Obligor agrees, for the benefit of the Debenture Trustee, as follows:

Section 1 Defined Terms; Interpretation.

(1) As used in this Agreement, the following terms have the following meanings:

“**Collateral**” has the meaning specified in Section 2.

“**Debenture Indenture**” means the debenture indenture entered into as of the Effective Date between MPXI and the Debenture Trustee, on its own behalf and on behalf of the Debentureholders, providing for the issuance of the Secured Debentures;

“**Encumbrance**” means any mortgage, charge, pledge, hypothecation, security interest, assignment by way of security, lien (statutory or otherwise), encumbrance, conditional sale agreement, capital lease, deposit arrangement, title retention agreement, and any other agreement, trust or arrangement that in substance secures payment or performance of an obligation.

“**Event of Default**” has the meaning specified in the Debenture Indenture.

“**Expenses**” has the meaning specified in Section 3(b).

“**Person**” means a natural person, partnership, corporation, joint stock company, trust, unincorporated association, joint venture or other entity or governmental entity, and pronouns have a similarly extended meaning.

“**Pledge Agreement**” means the securities pledge agreement to be entered into as of the Effective Date between MPXI and the Debenture Trustee, on behalf of the Debentureholders, with respect to the pledge of shares of to the Debenture Trustee, on behalf of the Debentureholders.

“**Secured Obligations**” has the meaning specified in Section 3(a).

“**Security Documents**” means this Agreement, the Guarantee, the Pledge Agreement and such further documents, instruments and other documents that may at any time be required to be provided by the Corporation to the Trustee in accordance with the terms of the Debenture Indenture.

“**Security Interest**” has the meaning specified in Section 3.

- (2) Terms defined in the *Personal Property Security Act* (Ontario) (as amended from time to time, the “**PPSA**”) or the *Securities Transfer Act, 2006* (Ontario) (“**STA**”) and used but not otherwise defined in this Agreement have the same meanings. Capitalized terms used in this Agreement but not defined have the meanings given to them in the Debenture Indenture.
- (3) In this Agreement the words “**including**”, “**includes**” and “**include**” mean “**including (or includes or include) without limitation**”. The expressions “**Section**” and other subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement. Words importing the singular number only include the plural and vice versa. The division of this Agreement into Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect its interpretation.
- (4) Any reference to this Agreement or any Security Document refers to this Agreement or such Security Document as the same may have been or may from time to time be amended, modified, extended, renewed, restated, replaced or supplemented and includes all schedules attached to it. Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules and regulations made under it as the same may have been or may from time to time be amended or re-enacted.
- (5) Any reference in this Agreement to an Encumbrance permitted by this Agreement is not intended to subordinate or postpone, and shall not be interpreted as subordinating or postponing, or as an agreement to subordinate or postpone, any Encumbrance created by any of the Security Documents to any Encumbrance permitted hereunder.

Section 2 Grant of Security.

The Obligor grants to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, a security interest in, and assign, mortgage, charge, hypothecate and pledge to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, all of the property and undertaking of the Obligor now owned or hereafter acquired and all of the property and undertaking in which the Obligor now has or hereafter acquires any interest (collectively, the “**Collateral**”) including all of the Obligor’s:

- (a) present and after acquired property;

- (b) inventory including goods held for sale, lease or resale, goods furnished or to be furnished to third parties under contracts of lease, consignment or service, goods which are raw materials or work in process, goods used in or procured for packing and materials used or consumed in the business of the Obligor;
- (c) equipment, machinery, furniture, fixtures, plant, vehicles and other goods of every kind and description and all licences and other rights and all related records, files, charts, plans, drawings, specifications, manuals and documents;
- (d) accounts due or accruing and all related agreements, books, accounts, invoices, letters, documents and papers recording, evidencing or relating to them;
- (e) money, documents of title, chattel paper, financial assets, investment property and instruments;
- (f) intangibles including all security interests, goodwill, choses in action, contracts, contract rights, licenses and other contractual benefits;
- (g) intellectual property;
- (h) all substitutions and replacements of and increases, additions and, where applicable, accessions to the property described in Section 2(a) through Section 2(g) inclusive; and
- (i) all proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in Section 2(a) through Section 2(h) inclusive, including the proceeds of such proceeds.

Section 3 Obligations Secured.

The security interest, assignment, mortgage, charge, hypothecation and pledge granted by this Agreement (collectively, the “**Security Interest**”) secures the payment and performance of:

- (a) all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by the Obligor to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, in any currency, under, in connection with or pursuant to this Agreement and any other Security Document to which the Obligor is a party, and whether incurred by the applicable Obligor alone or jointly with another or others and whether as principal, guarantor or surety and in whatever name or style (collectively, and together with the Expenses, the “**Secured Obligations**”); and
- (b) all expenses, costs and charges incurred by or on behalf of the Debenture Trustee in connection with this Agreement, the Security Interest or the Collateral, including all legal fees, court costs, receiver’s or agent’s remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling, transferring, delivering or obtaining payment for the Collateral, and of taking, defending or participating in any action or proceeding in connection with any of the foregoing matters or otherwise in connection with the Debenture Trustee’s, for its own benefit and on behalf of the Debentureholders, interest in any Collateral, whether or not directly relating to the enforcement of this Agreement or any other Security Document (collectively, the “**Expenses**”).

Section 4 Attachment.

- (1) The Obligor acknowledges that: (a) value has been given; (b) it has rights in its Collateral or the power to transfer rights in such Collateral to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, (other than after-acquired Collateral); (c) it has not agreed to postpone the time of attachment of the Security Interest; and (d) it has received a copy of this Agreement.
- (2) The Obligor will take all action that the Debenture Trustee deems advisable to cause the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, to have control over any investment property that are now or at any time become Collateral, and will: (a) deliver to and deposit with the Debenture Trustee any instruments that are Collateral; (b) cause the transfer of any instruments to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, to be registered wherever such registration may be required or advisable in the opinion of the Debenture Trustee; (c) endorse any instruments to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, or in blank or register them in the name of the Debenture Trustee or its nominee or otherwise as the Debenture Trustee may direct; and (d) deliver to the Debenture Trustee any and all consents or other documents that may be necessary to effect the transfer of any instruments to the Debenture Trustee or any third party. Notwithstanding the foregoing, and for greater certainty, the Security Interest granted hereby is subject to the terms and conditions of the Debenture Indenture and the Pledge Agreement and investment property delivered by the Obligor to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, are being held by the Debenture Trustee in trust, on a pro rata basis, on its behalf and on behalf of the Debentureholders in accordance with the terms and conditions of the Debenture Indenture and the Pledge Agreement.
- (3) The Security Interest does not extend to consumer goods.
- (4) The Security Interest does not extend or apply to the last day of the term of any lease or sublease of real property or any agreement for a lease or sublease of real property, now held or hereafter acquired by the Obligor, but the Obligor will stand possessed of any such last day upon trust to assign and dispose of it as the Debenture Trustee may reasonably direct.
- (5) To the extent that an assignment of amounts payable and other proceeds arising under or in connection with, or the grant of a security interest in any agreement, licence, permit or quota of the Obligor would result in the termination of such agreement, licence, permit or quota (each, a "**Restricted Asset**"), the Security Interest with respect to each Restricted Asset will constitute a trust created in favour of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, pursuant to which the Obligor holds as trustee all proceeds arising under or in connection with the Restricted Asset in trust for the Debenture Trustee, on its behalf and on behalf of the Debentureholders, on the following basis:
 - (a) subject to the Debenture Indenture and the Pledge Agreement, until the Security Interest is enforceable the Obligor is entitled to receive all such proceeds; and
 - (a) whenever the Security Interest is enforceable, (i) all rights of the Obligor to receive such proceeds cease and all such proceeds will be immediately paid over to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, and (ii) the Obligor will take all actions requested by the Debenture Trustee to collect and enforce payment and other rights arising under the Restricted Asset.

- (6) The Obligor will use all commercially reasonable efforts to obtain the consent of each other party to any and all Restricted Assets to the assignment of such Restricted Asset to the Debenture Trustee in accordance with this Agreement. The Obligor will also use all commercially reasonable efforts to ensure that all agreements entered into on and after the date of this Agreement expressly permit assignments of the benefits of such agreements as collateral security to the Debenture Trustee in accordance with the terms of this Agreement.

Section 5 Grant of Licence to Use Intellectual Property.

At such time as the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, is lawfully entitled to exercise its rights and remedies under Section 10 or Section 11, the Obligor grants to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, an irrevocable, nonexclusive licence (exercisable without payment of royalty or other compensation to the Obligor) to use, assign or sublicense any intellectual property in which the Obligor has rights wherever the same may be located, including in such licence access to (i) all media in which any of the licensed items may be recorded or stored, and (ii) all software and computer programs used for compilation or print-out. The license granted under this Section 5 is to enable the Debenture Trustee to exercise its rights and remedies under Section 9 through Section 17, inclusive, and for no other purpose.

Section 6 Care and Custody of Collateral.

- (1) The Debenture Trustee has no obligation to keep Collateral in its possession identifiable.
- (2) Without limiting any other rights or remedies under this Agreement, the Debenture Trustee may, upon the occurrence and during the continuance of an Event of Default, (i) notify any Person obligated on an instrument, chattel paper, security or account to make payments to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, whether or not the Obligor was previously making collections on such instruments, chattel paper or accounts, and (ii) assume control of any proceeds arising from the Collateral.
- (3) The Debenture Trustee has no obligation to collect dividends, distributions or interest payable on, or exercise any option or right in connection with, any Collateral. The Debenture Trustee has no obligation to protect or preserve any Collateral from depreciating in value or becoming worthless and is released from all responsibility for any loss of value.

Section 7 Rights of the Obligor.

- (1) Until the occurrence of an Event of Default which is continuing, the Obligor is entitled to vote the securities that are part of the Collateral and to receive all dividends and distributions on such securities. Until the occurrence of an Event of Default which is continuing, all rights of the Obligor to vote (under any proxy given by the Debenture Trustee (or its nominee), on its behalf and on behalf of the Debentureholders, or otherwise) or to receive distributions or dividends cease and all such rights become vested solely and absolutely in the Debenture Trustee.
- (2) Any distributions or dividends received by the Obligor contrary to Section 7(1) or any other moneys or property received by the Obligor after the Security Interest is enforceable will be received as trustee for the Debenture Trustee, on its behalf and on behalf of the Debentureholders, and shall be immediately paid over to the Debenture Trustee, on its behalf and on behalf of the Debentureholders.

Section 8 Expenses.

The Obligor is liable for and will pay on demand by the Debenture Trustee any and all Expenses.

Section 9 Enforcement.

The Security Interest becomes and is enforceable against the Obligor upon the occurrence and during the continuance of an Event of Default.

Section 10 Remedies.

Upon the occurrence and during the continuance of an Event of Default, the Debenture Trustee, on its behalf and on behalf of the Debentureholders, may realize upon the Collateral and enforce the rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, by:

- (a) entry onto any premises where Collateral consisting of tangible personal property may be located;
- (b) entry into possession of the Collateral by any method permitted by law;
- (c) sale, grant of options to purchase, or lease of all or any part of the Collateral;
- (d) holding, storing and keeping idle or operating all or any part of the Collateral;
- (e) exercising and enforcing all rights and remedies of a holder of the Collateral as if the Debenture Trustee, on its behalf and on behalf of the Debentureholders, were the absolute owner thereof (including, if necessary, causing the Collateral to be registered in the name of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, or its nominee if not already done);
- (f) collection of any proceeds arising in respect of the Collateral;
- (g) collection, realization or sale of, or other dealing with, accounts;
- (h) license or sublicense, whether on an exclusive or nonexclusive basis, of any intellectual property for such term and on such conditions and in such manner as the Debenture Trustee in its sole judgment determines (taking into account such provisions as may be necessary to protect and preserve such intellectual property);
- (i) instruction or order to any issuer or securities intermediary pursuant to any control the Debenture Trustee has over the Collateral;
- (j) instruction to any bank to transfer all moneys constituting Collateral held by such bank to an account maintained with or by the Debenture Trustee;
- (k) appointment by instrument in writing of a receiver (which term as used in this Agreement includes a receiver and manager) or agent of all or any part of the Collateral and removal or replacement from time to time of any receiver or agent;
- (l) institution of proceedings in any court of competent jurisdiction for the appointment of a receiver of all or any part of the Collateral;

- (m) institution of proceedings in any court of competent jurisdiction for sale or foreclosure of all or any part of the Collateral;
- (n) filing of proofs of claim and other documents to establish claims to the Collateral in any proceeding relating to the Obligor; and
- (o) any other remedy or proceeding authorized or permitted under the PPSA or otherwise by law or equity.

Section 11 Additional Rights.

In addition to the remedies set forth in Section 10 and elsewhere in this Agreement, the Debenture Trustee may, whenever the Security Interest upon the occurrence and during the continuance of an Event of Default:

- (a) require the Obligor, at the Obligor's expense, to assemble the Collateral at a place or places designated by notice in writing and the Obligor agrees to so assemble the Collateral immediately upon receipt of such notice;
- (b) require the Obligor, by notice in writing, to disclose to the Debenture Trustee the location or locations of the Collateral and the Obligor agrees to promptly make such disclosure when so required;
- (c) repair, process, modify, complete or otherwise deal with the Collateral and prepare for the disposition of the Collateral, whether on the premises of the Obligor or otherwise;
- (d) redeem any prior security interest against any Collateral, procure the transfer of such security interest to itself, or settle and pass the accounts of the prior mortgagee, chargee or encumbrancer (any accounts to be conclusive and binding on the Obligor);
- (e) pay any liability secured by any Encumbrance against any Collateral (the Obligor will immediately on demand reimburse the Debenture Trustee for all such payments);
- (f) carry on all or any part of the business of the Obligor and, to the exclusion of all others including the Obligor, enter upon, occupy and use all or any of the premises, buildings, and other property of or used by the Obligor for such time as the Debenture Trustee sees fit, free of charge, and the Debenture Trustee shall not be liable to the Obligor for any act, omission or negligence in so doing or for any rent, charges, depreciation or damages incurred in connection with or resulting from such action;
- (g) borrow for the purpose of carrying on the business of the Obligor or for the maintenance, preservation or protection of the Collateral and grant a security interest in the Collateral, whether or not in priority to the Security Interest, to secure repayment;
- (h) commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and give good and valid receipts and discharges in respect of the Collateral and compromise or give time for the payment or performance of all or any part of the accounts or any other obligation of any third party to the Obligor; and

- (i) at any public sale, and to the extent permitted by law on any private sale, bid for and purchase any or all of the Collateral offered for sale and upon compliance with the terms of such sale, hold, retain and dispose of such Collateral without any further accountability to the Obligor or any other Person with respect to such holding, retention or disposition, except as required by law. In any such sale to the Debenture Trustee, the Debenture Trustee may, for the purpose of making payment for all or any part of the Collateral so purchased, use any claim for Secured Obligations then due and payable to it as a credit against the purchase price.

Section 12 Exercise of Remedies.

The remedies under Section 10 and Section 11 may be exercised from time to time separately or in combination and are in addition to, and not in substitution for, any other rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, however arising or created, including without limitation as may arise or be created under the Debenture Indenture. The Debenture Trustee is not bound to exercise any right or remedy, and the exercise of rights and remedies is without prejudice to the rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, in respect of the Secured Obligations including the right to claim for any deficiency.

Section 13 Receiver's Powers.

- (1) Any receiver appointed by the Debenture Trustee shall be vested with the rights and remedies which could have been exercised by the Debenture Trustee, on its behalf and on behalf of the Debentureholders, in respect of the Obligor or the Collateral and such other powers and discretions as are granted in the instrument of appointment and any supplemental instruments. The identity of the receiver, its replacement and its remuneration shall be within the sole and unfettered discretion of the Debenture Trustee.
- (2) Any receiver appointed by the Debenture Trustee shall act as agent for the Debenture Trustee for the purposes of taking possession of the Collateral, but otherwise and for all other purposes (except as provided below), as agent for the Obligor. The receiver may sell, lease, or otherwise dispose of Collateral as agent for the Obligor or as agent for the Debenture Trustee as the Debenture Trustee may determine in its discretion. The Obligor agree to ratify and confirm all actions of the receiver acting as agent for the Obligor, and to release and indemnify the receiver in respect of all such actions.
- (3) The Debenture Trustee, in appointing or refraining from appointing any receiver, shall not incur liability to the receiver, the Obligor or otherwise and shall not be responsible for any misconduct or negligence of the receiver.

Section 14 Appointment of Attorney.

The Obligor hereby irrevocably constitute and appoint the Debenture Trustee (and any officer of the Debenture Trustee), on its behalf and on behalf of the Debentureholders, the true and lawful attorney of the Obligor. As the attorney of the Obligor, the Debenture Trustee has the power to exercise for and in the name of the Obligor with full power of substitution, upon the occurrence and during the continuance of an Event of Default, any of the Obligor's right (including the right of disposal), title and interest in and to the Collateral including the execution, endorsement, delivery and transfer of the Collateral to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, its nominees or transferees, and the Debenture Trustee and its nominees or transferees are hereby empowered to exercise all rights and powers and to perform all acts of ownership with respect to the Collateral to the same extent as the Obligor might do. This

power of attorney is irrevocable, is coupled with an interest, has been given for valuable consideration (the receipt and adequacy of which is acknowledged) and survives, and does not terminate upon, the bankruptcy, dissolution, winding up or insolvency of the Obligor. This power of attorney extends to and is binding upon the Obligor's successors and permitted assigns.

Section 15 Dealing with the Collateral.

- (1) The Debenture Trustee shall not be obliged to exhaust its recourse against the Obligor or any other Person or against any other security it may hold in respect of the Secured Obligations before realizing upon or otherwise dealing with the Collateral in such manner as the Debenture Trustee may consider desirable.
- (2) The Debenture Trustee may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Obligor and with other Persons, sureties or securities as it may see fit without prejudice to the Secured Obligations, the liability of the Obligor or the rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, in respect of the Collateral.
- (3) Except as otherwise provided by law or this Agreement, the Debenture Trustee shall not be:
(a) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral; (b) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or for the purpose of preserving any rights of any Persons in respect of the Collateral; (c) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal with the Collateral; or (d) bound to protect the Collateral from depreciating in value or becoming worthless.

Section 16 Standards of Sale.

Without prejudice to the ability of the Debenture Trustee to dispose of the Collateral in any manner which is commercially reasonable, the Obligor acknowledges that:

- (a) the Collateral may be disposed of in whole or in part;
- (b) the Collateral may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (c) any assignee of such Collateral may be the Debenture Trustee or a customer of the Debenture Trustee;
- (d) any sale conducted by the Debenture Trustee will be at such time and place, on such notice and in accordance with such procedures as the Debenture Trustee, in its sole discretion, may deem advantageous;
- (e) the Collateral may be disposed of in any manner and on any terms necessary to avoid violation of applicable law (including compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that the prospective bidders and purchasers have certain qualifications, and restrict the prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of the Collateral) or in order to obtain any required approval of the disposition (or of the resulting purchase) by any governmental or regulatory authority or official;

- (f) a disposition of Collateral may be on such terms and conditions as to credit or otherwise as the Debenture Trustee, in its sole discretion, may deem advantageous; and
- (g) the Debenture Trustee may establish an upset or reserve bid or price in respect of the Collateral.

Section 17 Dealings by Third Parties.

- (1) No Person dealing with the Debenture Trustee or an agent or receiver shall be required to determine (i) whether the Security Interest has become enforceable, (ii) whether the powers which such Person is purporting to exercise have become exercisable, (iii) whether any money remains due to the Debenture Trustee by the Obligor, (iv) the necessity or expediency of the stipulations and conditions subject to which any sale or lease is made, (v) the propriety or regularity of any sale or other dealing by the Debenture Trustee with the Collateral, or (vi) how any money paid to the Debenture Trustee has been applied.
- (2) Any *bona fide* purchaser of all or any part of the Collateral from the Debenture Trustee or any receiver or agent shall hold the Collateral absolutely, free from any claim or right of whatever kind, including any equity of redemption, of the Obligor, which it specifically waives (to the fullest extent permitted by law) as against any such purchaser together with all rights of redemption, stay or appraisal which the Obligor has or may have under any rule of law or statute now existing or hereafter adopted.

Section 18 Representations, Warranties and Covenants.

The Obligor represents and warrants and covenants and agrees, acknowledging and confirming that the Debenture Trustee, on its behalf and on behalf of the Debentureholders, is relying on such representations, warranties, covenants and agreements, that:

- (1) **Continuous Perfection.** Schedule “A” sets out the Obligor’s: (a) place of business or, if more than one, chief executive office; (b) registered office; and (c) jurisdiction of organization. The Obligor will not change the location of its place of business or chief executive office, as the case may be, registered office or jurisdiction of organization without providing at least thirty (30) days prior written notice to the Debenture Trustee. The Collateral, to the extent not delivered to the Debenture Trustee pursuant to Section 4, is kept and will be kept at those locations listed on Schedule “A”, and the Obligor will not remove the Collateral from such locations, without providing at least thirty (30) days prior written notice to the Debenture Trustee, provided that Collateral may be moved to another location as long as such other location is in a jurisdiction in which the Debenture Trustee has a valid and perfected first ranking security interest in the Collateral. The Obligor will not change its name in any manner without providing at least thirty (30) days prior written notice to the Debenture Trustee.

Section 19 General.

- (1) This Agreement is subject in its entirety to the terms and conditions of the Debenture Indenture and the Pledge Agreement, as applicable.
- (2) Any notice, direction or other communication to be given under this Agreement shall be in writing and given in accordance with the Debenture Indenture.

- (3) The Security Interest shall be discharged upon, but only upon: (a) full and indefeasible payment and performance of the Secured Obligations; and (b) the Debenture Trustee, on its own behalf and on behalf of the Debentureholders, having no commitments under any Security Document. Upon discharge of the Security Interest and at the request and expense of the Obligor, the Debenture Trustee shall execute and deliver to the Obligor such releases, discharges, financing statements and other documents or instruments as the Obligor may reasonably require and the Debenture Trustee will redeliver to the Obligor, or as the Obligor may otherwise direct the Debenture Trustee, any Collateral in its possession.
- (4) This Agreement does not operate by way of merger of any of the Secured Obligations and no judgment recovered by the Debenture Trustee will operate by way of merger of, or in any way affect, the Security Interest, which is in addition to, and not in substitution for, any other security now or hereafter held by the Debenture Trustee, on its own behalf or on behalf of the Debentureholders, in respect of the Secured Obligations. The representations, warranties and covenants of the Obligor in this Agreement survive the execution and delivery of this Agreement and any advances made hereunder. Notwithstanding any investigation made by or on behalf of the Debenture Trustee, the covenants, representations and warranties continue in full force and effect.
- (5) The Obligor will do all acts and things and execute and deliver, or cause to be executed and delivered, all agreements, documents and instruments that the Debenture Trustee may require and take all further steps relating to the Collateral or any other property or assets of the Obligor that the Debenture Trustee may require for: (a) protecting the Collateral; (b) perfecting, preserving and protecting the Security Interest; and (c) exercising all powers, authorities and discretions conferred upon the Debenture Trustee. Upon the occurrence and during the continuance of an Event of Default, the Obligor will do all acts and things and execute and deliver all documents and instruments that the Debenture Trustee may require for facilitating the sale or other disposition of the Collateral in connection with its realization.
- (6) This Agreement is in addition to, without prejudice to and supplemental to all other security now held or which may hereafter be held by the Debenture Trustee.
- (7) This Agreement shall be binding on the Obligor, its respective successors and assigns, and enures to the benefit of the Debenture Trustee, on its own behalf and on behalf of the Debenture Trustee, and its successors and assigns. In any action brought by an assignee to enforce any such right, the Obligor shall not assert against the assignee any claim or defence which the Obligor has or may have against the Debenture Trustee. The Obligor may not assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Debenture Trustee which may be unreasonably withheld.
- (8) The Obligor acknowledges and agrees that in the event it amalgamates with any other corporation or corporations, it is the intention of the parties that the Security Interest: (a) extends to: (i) all of the property and undertaking that any of the amalgamating corporations then owns; (ii) all of the property and undertaking that the amalgamated corporation thereafter acquires; (iii) all of the property and undertaking in which any of the amalgamating corporations then has any interest; and (iv) all of the property and undertaking in which the amalgamated corporation thereafter acquires any interest; and (b) secures the payment and performance of all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by each of the amalgamating corporations and the amalgamated corporation to the Debenture Trustee in any currency, however or wherever incurred, and whether incurred alone or jointly with another or others and whether as principal, guarantor or surety and whether incurred prior to, at the time of or

subsequent to the amalgamation. The Security Interest attaches to the additional collateral at the time of amalgamation and to any collateral thereafter owned or acquired by the amalgamated corporation when such becomes owned or is acquired. Upon any such amalgamation, the defined term “**Obligor**” means, collectively, each of the amalgamating corporations and the amalgamated corporation, the defined term “**Collateral**” means all of the property and undertaking and interests described in (a) above, and the defined term “**Secured Obligations**” means the obligations described in (b) above.

- (9) If any court of competent jurisdiction determines any provision of this Agreement to be illegal, invalid or unenforceable, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.
- (10) This Agreement may only be amended, supplemented or otherwise modified by written agreement executed by the Debenture Trustee and the Obligor.
- (11) No consent or waiver by the Debenture Trustee in respect of this Agreement is binding unless made in writing and signed by an authorized officer of the Debenture Trustee. Any consent or waiver given under this Agreement is effective only in the specific instance and for the specific purpose for which given. No waiver of any of the provisions of this Agreement constitutes a waiver of any other provision. A failure or delay on the part of the Debenture Trustee in exercising a right under this Agreement does not operate as a waiver of, or impair, any right of the Debenture Trustee however arising. A single or partial exercise of a right on the part of the Debenture Trustee does not preclude any other or further exercise of that right or the exercise of any other right by the Debenture Trustee.
- (12) This Agreement will be governed by, interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

[Signature page follows]

IN WITNESS WHEREOF the Obligor has executed this Agreement.

MPXI ALBERTA CORPORATION

By: _____

Name: W. Scott Boyes

Title: Director

SCHEDULE "A"
RELEVANT JURISDICTIONS

Jurisdiction of Organization: Alberta

Principal Place of Business: Yonge Norton Centre
5255 Yonge Street, Suite 701
Toronto, Ontario M2X 6P4

SECURITY AGREEMENT

Security Agreement (as amended, modified, supplemented, restated or replaced from time to time, this “**Agreement**”) dated as of June 30, 2020 (the “**Effective Date**”) made by Salus BioPharma Corporation, a corporation existing under the laws of the Province of Ontario (the “**Obligor**”) to and in favour of AST Trust Company (Canada), as debenture trustee under the Debenture Indenture (as defined herein) (in such capacity, together with its successors and assigns, the “**Debenture Trustee**”).

WHEREAS certain subscribers (the “**Debentureholders**”) have executed and delivered subscription agreements for secured convertible debentures created by and authorized by and issuable under the Debenture Indenture (as defined herein), as issued by MPX International Corporation (“**MPXI**”) on the Effective Date (the “**Secured Debentures**”);

AND WHEREAS the Secured Debentures constitute and make available to MPXI certain loan amounts that mature twenty-four (24) months from the Effective Date and bear interest at a rate of 12% per annum from the Effective Date, payable quarterly in cash in arrears pursuant to the terms and conditions of the Debenture Indenture;

AND WHEREAS the obligations of MPXI pursuant to the Secured Debentures are secured by liens on substantially all of the assets of MPXI pursuant to the Security Documents (as defined herein);

AND WHEREAS as a condition precedent to the issuance of debentures pursuant to Debenture Indenture, the Obligor will execute and deliver a guarantee (the “**Guarantee**”) in favour of the Debenture Trustee, on its own behalf and on behalf of the Debentureholders;

AND WHEREAS it is a condition precedent to the issuance of the Secured Debentures pursuant to the Debenture Indenture that the Obligor execute and deliver this Agreement in favour of the Debenture Trustee, on its own behalf and on behalf of the Debentureholders;

AND WHEREAS MPXI is an affiliate of the Obligor and due to the close business and financial relationships between Obligor and MPXI, the Obligor will derive substantial direct and indirect benefits from such transactions and therefore the Obligor considers it in its best interest to provide this Agreement;

NOW THEREFORE for good and valuable consideration, the receipt of which is hereby acknowledged, the Obligor agrees, for the benefit of the Debenture Trustee, as follows:

Section 1 Defined Terms; Interpretation.

(1) As used in this Agreement, the following terms have the following meanings:

“**Collateral**” has the meaning specified in Section 2.

“**Debenture Indenture**” means the debenture indenture entered into as of the Effective Date between MPXI and the Debenture Trustee, on its own behalf and on behalf of the Debentureholders, providing for the issuance of the Secured Debentures;

“**Encumbrance**” means any mortgage, charge, pledge, hypothecation, security interest, assignment by way of security, lien (statutory or otherwise), encumbrance, conditional sale agreement, capital lease, deposit arrangement, title retention agreement, and any other agreement, trust or arrangement that in substance secures payment or performance of an obligation.

“**Event of Default**” has the meaning specified in the Debenture Indenture.

“**Expenses**” has the meaning specified in Section 3(b).

“**Person**” means a natural person, partnership, corporation, joint stock company, trust, unincorporated association, joint venture or other entity or governmental entity, and pronouns have a similarly extended meaning.

“**Pledge Agreement**” means the securities pledge agreement to be entered into as of the Effective Date between MPXI and the Debenture Trustee, on behalf of the Debentureholders, with respect to the pledge of shares of to the Debenture Trustee, on behalf of the Debentureholders.

“**Secured Obligations**” has the meaning specified in Section 3(a).

“**Security Documents**” means this Agreement, the Guarantee, the Pledge Agreement and such further documents, instruments and other documents that may at any time be required to be provided by the Corporation to the Trustee in accordance with the terms of the Debenture Indenture.

“**Security Interest**” has the meaning specified in Section 3.

- (2) Terms defined in the *Personal Property Security Act* (Ontario) (as amended from time to time, the “**PPSA**”) or the *Securities Transfer Act, 2006* (Ontario) (“**STA**”) and used but not otherwise defined in this Agreement have the same meanings. Capitalized terms used in this Agreement but not defined have the meanings given to them in the Debenture Indenture.
- (3) In this Agreement the words “**including**”, “**includes**” and “**include**” mean “**including (or includes or include) without limitation**”. The expressions “**Section**” and other subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement. Words importing the singular number only include the plural and vice versa. The division of this Agreement into Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect its interpretation.
- (4) Any reference to this Agreement or any Security Document refers to this Agreement or such Security Document as the same may have been or may from time to time be amended, modified, extended, renewed, restated, replaced or supplemented and includes all schedules attached to it. Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules and regulations made under it as the same may have been or may from time to time be amended or re-enacted.
- (5) Any reference in this Agreement to an Encumbrance permitted by this Agreement is not intended to subordinate or postpone, and shall not be interpreted as subordinating or postponing, or as an agreement to subordinate or postpone, any Encumbrance created by any of the Security Documents to any Encumbrance permitted hereunder.

Section 2 Grant of Security.

The Obligor grants to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, a security interest in, and assign, mortgage, charge, hypothecate and pledge to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, all of the property and undertaking of the Obligor now owned or hereafter acquired and all of the property and undertaking in which the Obligor now has or hereafter acquires any interest (collectively, the “**Collateral**”) including all of the Obligor’s:

- (a) present and after acquired property;

- (b) inventory including goods held for sale, lease or resale, goods furnished or to be furnished to third parties under contracts of lease, consignment or service, goods which are raw materials or work in process, goods used in or procured for packing and materials used or consumed in the business of the Obligor;
- (c) equipment, machinery, furniture, fixtures, plant, vehicles and other goods of every kind and description and all licences and other rights and all related records, files, charts, plans, drawings, specifications, manuals and documents;
- (d) accounts due or accruing and all related agreements, books, accounts, invoices, letters, documents and papers recording, evidencing or relating to them;
- (e) money, documents of title, chattel paper, financial assets, investment property and instruments;
- (f) intangibles including all security interests, goodwill, choses in action, contracts, contract rights, licenses and other contractual benefits;
- (g) intellectual property;
- (h) all substitutions and replacements of and increases, additions and, where applicable, accessions to the property described in Section 2(a) through Section 2(g) inclusive; and
- (i) all proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in Section 2(a) through Section 2(h) inclusive, including the proceeds of such proceeds.

Section 3 Obligations Secured.

The security interest, assignment, mortgage, charge, hypothecation and pledge granted by this Agreement (collectively, the “**Security Interest**”) secures the payment and performance of:

- (a) all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by the Obligor to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, in any currency, under, in connection with or pursuant to this Agreement and any other Security Document to which the Obligor is a party, and whether incurred by the applicable Obligor alone or jointly with another or others and whether as principal, guarantor or surety and in whatever name or style (collectively, and together with the Expenses, the “**Secured Obligations**”); and
- (b) all expenses, costs and charges incurred by or on behalf of the Debenture Trustee in connection with this Agreement, the Security Interest or the Collateral, including all legal fees, court costs, receiver’s or agent’s remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling, transferring, delivering or obtaining payment for the Collateral, and of taking, defending or participating in any action or proceeding in connection with any of the foregoing matters or otherwise in connection with the Debenture Trustee’s, for its own benefit and on behalf of the Debentureholders, interest in any Collateral, whether or not directly relating to the enforcement of this Agreement or any other Security Document (collectively, the “**Expenses**”).

Section 4 Attachment.

- (1) The Obligor acknowledges that: (a) value has been given; (b) it has rights in its Collateral or the power to transfer rights in such Collateral to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, (other than after-acquired Collateral); (c) it has not agreed to postpone the time of attachment of the Security Interest; and (d) it has received a copy of this Agreement.
- (2) The Obligor will take all action that the Debenture Trustee deems advisable to cause the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, to have control over any investment property that are now or at any time become Collateral, and will: (a) deliver to and deposit with the Debenture Trustee any instruments that are Collateral; (b) cause the transfer of any instruments to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, to be registered wherever such registration may be required or advisable in the opinion of the Debenture Trustee; (c) endorse any instruments to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, or in blank or register them in the name of the Debenture Trustee or its nominee or otherwise as the Debenture Trustee may direct; and (d) deliver to the Debenture Trustee any and all consents or other documents that may be necessary to effect the transfer of any instruments to the Debenture Trustee or any third party. Notwithstanding the foregoing, and for greater certainty, the Security Interest granted hereby is subject to the terms and conditions of the Debenture Indenture and the Pledge Agreement and investment property delivered by the Obligor to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, are being held by the Debenture Trustee in trust, on a pro rata basis, on its behalf and on behalf of the Debentureholders in accordance with the terms and conditions of the Debenture Indenture and the Pledge Agreement.
- (3) The Security Interest does not extend to consumer goods.
- (4) The Security Interest does not extend or apply to the last day of the term of any lease or sublease of real property or any agreement for a lease or sublease of real property, now held or hereafter acquired by the Obligor, but the Obligor will stand possessed of any such last day upon trust to assign and dispose of it as the Debenture Trustee may reasonably direct.
- (5) To the extent that an assignment of amounts payable and other proceeds arising under or in connection with, or the grant of a security interest in any agreement, licence, permit or quota of the Obligor would result in the termination of such agreement, licence, permit or quota (each, a "**Restricted Asset**"), the Security Interest with respect to each Restricted Asset will constitute a trust created in favour of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, pursuant to which the Obligor holds as trustee all proceeds arising under or in connection with the Restricted Asset in trust for the Debenture Trustee, on its behalf and on behalf of the Debentureholders, on the following basis:
 - (a) subject to the Debenture Indenture and the Pledge Agreement, until the Security Interest is enforceable the Obligor is entitled to receive all such proceeds; and
 - (a) whenever the Security Interest is enforceable, (i) all rights of the Obligor to receive such proceeds cease and all such proceeds will be immediately paid over to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, and (ii) the Obligor will take all actions requested by the Debenture Trustee to collect and enforce payment and other rights arising under the Restricted Asset.

- (6) The Obligor will use all commercially reasonable efforts to obtain the consent of each other party to any and all Restricted Assets to the assignment of such Restricted Asset to the Debenture Trustee in accordance with this Agreement. The Obligor will also use all commercially reasonable efforts to ensure that all agreements entered into on and after the date of this Agreement expressly permit assignments of the benefits of such agreements as collateral security to the Debenture Trustee in accordance with the terms of this Agreement.

Section 5 Grant of Licence to Use Intellectual Property.

At such time as the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, is lawfully entitled to exercise its rights and remedies under Section 10 or Section 11, the Obligor grants to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, an irrevocable, nonexclusive licence (exercisable without payment of royalty or other compensation to the Obligor) to use, assign or sublicense any intellectual property in which the Obligor has rights wherever the same may be located, including in such licence access to (i) all media in which any of the licensed items may be recorded or stored, and (ii) all software and computer programs used for compilation or print-out. The license granted under this Section 5 is to enable the Debenture Trustee to exercise its rights and remedies under Section 9 through Section 17, inclusive, and for no other purpose.

Section 6 Care and Custody of Collateral.

- (1) The Debenture Trustee has no obligation to keep Collateral in its possession identifiable.
- (2) Without limiting any other rights or remedies under this Agreement, the Debenture Trustee may, upon the occurrence and during the continuance of an Event of Default, (i) notify any Person obligated on an instrument, chattel paper, security or account to make payments to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, whether or not the Obligor was previously making collections on such instruments, chattel paper or accounts, and (ii) assume control of any proceeds arising from the Collateral.
- (3) The Debenture Trustee has no obligation to collect dividends, distributions or interest payable on, or exercise any option or right in connection with, any Collateral. The Debenture Trustee has no obligation to protect or preserve any Collateral from depreciating in value or becoming worthless and is released from all responsibility for any loss of value.

Section 7 Rights of the Obligor.

- (1) Until the occurrence of an Event of Default which is continuing, the Obligor is entitled to vote the securities that are part of the Collateral and to receive all dividends and distributions on such securities. Until the occurrence of an Event of Default which is continuing, all rights of the Obligor to vote (under any proxy given by the Debenture Trustee (or its nominee), on its behalf and on behalf of the Debentureholders, or otherwise) or to receive distributions or dividends cease and all such rights become vested solely and absolutely in the Debenture Trustee.
- (2) Any distributions or dividends received by the Obligor contrary to Section 7(1) or any other moneys or property received by the Obligor after the Security Interest is enforceable will be received as trustee for the Debenture Trustee, on its behalf and on behalf of the Debentureholders, and shall be immediately paid over to the Debenture Trustee, on its behalf and on behalf of the Debentureholders.

Section 8 Expenses.

The Obligor is liable for and will pay on demand by the Debenture Trustee any and all Expenses.

Section 9 Enforcement.

The Security Interest becomes and is enforceable against the Obligor upon the occurrence and during the continuance of an Event of Default.

Section 10 Remedies.

Upon the occurrence and during the continuance of an Event of Default, the Debenture Trustee, on its behalf and on behalf of the Debentureholders, may realize upon the Collateral and enforce the rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, by:

- (a) entry onto any premises where Collateral consisting of tangible personal property may be located;
- (b) entry into possession of the Collateral by any method permitted by law;
- (c) sale, grant of options to purchase, or lease of all or any part of the Collateral;
- (d) holding, storing and keeping idle or operating all or any part of the Collateral;
- (e) exercising and enforcing all rights and remedies of a holder of the Collateral as if the Debenture Trustee, on its behalf and on behalf of the Debentureholders, were the absolute owner thereof (including, if necessary, causing the Collateral to be registered in the name of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, or its nominee if not already done);
- (f) collection of any proceeds arising in respect of the Collateral;
- (g) collection, realization or sale of, or other dealing with, accounts;
- (h) license or sublicense, whether on an exclusive or nonexclusive basis, of any intellectual property for such term and on such conditions and in such manner as the Debenture Trustee in its sole judgment determines (taking into account such provisions as may be necessary to protect and preserve such intellectual property);
- (i) instruction or order to any issuer or securities intermediary pursuant to any control the Debenture Trustee has over the Collateral;
- (j) instruction to any bank to transfer all moneys constituting Collateral held by such bank to an account maintained with or by the Debenture Trustee;
- (k) appointment by instrument in writing of a receiver (which term as used in this Agreement includes a receiver and manager) or agent of all or any part of the Collateral and removal or replacement from time to time of any receiver or agent;
- (l) institution of proceedings in any court of competent jurisdiction for the appointment of a receiver of all or any part of the Collateral;

- (m) institution of proceedings in any court of competent jurisdiction for sale or foreclosure of all or any part of the Collateral;
- (n) filing of proofs of claim and other documents to establish claims to the Collateral in any proceeding relating to the Obligor; and
- (o) any other remedy or proceeding authorized or permitted under the PPSA or otherwise by law or equity.

Section 11 Additional Rights.

In addition to the remedies set forth in Section 10 and elsewhere in this Agreement, the Debenture Trustee may, whenever the Security Interest upon the occurrence and during the continuance of an Event of Default:

- (a) require the Obligor, at the Obligor's expense, to assemble the Collateral at a place or places designated by notice in writing and the Obligor agrees to so assemble the Collateral immediately upon receipt of such notice;
- (b) require the Obligor, by notice in writing, to disclose to the Debenture Trustee the location or locations of the Collateral and the Obligor agrees to promptly make such disclosure when so required;
- (c) repair, process, modify, complete or otherwise deal with the Collateral and prepare for the disposition of the Collateral, whether on the premises of the Obligor or otherwise;
- (d) redeem any prior security interest against any Collateral, procure the transfer of such security interest to itself, or settle and pass the accounts of the prior mortgagee, chargee or encumbrancer (any accounts to be conclusive and binding on the Obligor);
- (e) pay any liability secured by any Encumbrance against any Collateral (the Obligor will immediately on demand reimburse the Debenture Trustee for all such payments);
- (f) carry on all or any part of the business of the Obligor and, to the exclusion of all others including the Obligor, enter upon, occupy and use all or any of the premises, buildings, and other property of or used by the Obligor for such time as the Debenture Trustee sees fit, free of charge, and the Debenture Trustee shall not be liable to the Obligor for any act, omission or negligence in so doing or for any rent, charges, depreciation or damages incurred in connection with or resulting from such action;
- (g) borrow for the purpose of carrying on the business of the Obligor or for the maintenance, preservation or protection of the Collateral and grant a security interest in the Collateral, whether or not in priority to the Security Interest, to secure repayment;
- (h) commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and give good and valid receipts and discharges in respect of the Collateral and compromise or give time for the payment or performance of all or any part of the accounts or any other obligation of any third party to the Obligor; and

- (i) at any public sale, and to the extent permitted by law on any private sale, bid for and purchase any or all of the Collateral offered for sale and upon compliance with the terms of such sale, hold, retain and dispose of such Collateral without any further accountability to the Obligor or any other Person with respect to such holding, retention or disposition, except as required by law. In any such sale to the Debenture Trustee, the Debenture Trustee may, for the purpose of making payment for all or any part of the Collateral so purchased, use any claim for Secured Obligations then due and payable to it as a credit against the purchase price.

Section 12 Exercise of Remedies.

The remedies under Section 10 and Section 11 may be exercised from time to time separately or in combination and are in addition to, and not in substitution for, any other rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, however arising or created, including without limitation as may arise or be created under the Debenture Indenture. The Debenture Trustee is not bound to exercise any right or remedy, and the exercise of rights and remedies is without prejudice to the rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, in respect of the Secured Obligations including the right to claim for any deficiency.

Section 13 Receiver's Powers.

- (1) Any receiver appointed by the Debenture Trustee shall be vested with the rights and remedies which could have been exercised by the Debenture Trustee, on its behalf and on behalf of the Debentureholders, in respect of the Obligor or the Collateral and such other powers and discretions as are granted in the instrument of appointment and any supplemental instruments. The identity of the receiver, its replacement and its remuneration shall be within the sole and unfettered discretion of the Debenture Trustee.
- (2) Any receiver appointed by the Debenture Trustee shall act as agent for the Debenture Trustee for the purposes of taking possession of the Collateral, but otherwise and for all other purposes (except as provided below), as agent for the Obligor. The receiver may sell, lease, or otherwise dispose of Collateral as agent for the Obligor or as agent for the Debenture Trustee as the Debenture Trustee may determine in its discretion. The Obligor agree to ratify and confirm all actions of the receiver acting as agent for the Obligor, and to release and indemnify the receiver in respect of all such actions.
- (3) The Debenture Trustee, in appointing or refraining from appointing any receiver, shall not incur liability to the receiver, the Obligor or otherwise and shall not be responsible for any misconduct or negligence of the receiver.

Section 14 Appointment of Attorney.

The Obligor hereby irrevocably constitute and appoint the Debenture Trustee (and any officer of the Debenture Trustee), on its behalf and on behalf of the Debentureholders, the true and lawful attorney of the Obligor. As the attorney of the Obligor, the Debenture Trustee has the power to exercise for and in the name of the Obligor with full power of substitution, upon the occurrence and during the continuance of an Event of Default, any of the Obligor's right (including the right of disposal), title and interest in and to the Collateral including the execution, endorsement, delivery and transfer of the Collateral to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, its nominees or transferees, and the Debenture Trustee and its nominees or transferees are hereby empowered to exercise all rights and powers and to perform all acts of ownership with respect to the Collateral to the same extent as the Obligor might do. This

power of attorney is irrevocable, is coupled with an interest, has been given for valuable consideration (the receipt and adequacy of which is acknowledged) and survives, and does not terminate upon, the bankruptcy, dissolution, winding up or insolvency of the Obligor. This power of attorney extends to and is binding upon the Obligor's successors and permitted assigns.

Section 15 Dealing with the Collateral.

- (1) The Debenture Trustee shall not be obliged to exhaust its recourse against the Obligor or any other Person or against any other security it may hold in respect of the Secured Obligations before realizing upon or otherwise dealing with the Collateral in such manner as the Debenture Trustee may consider desirable.
- (2) The Debenture Trustee may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Obligor and with other Persons, sureties or securities as it may see fit without prejudice to the Secured Obligations, the liability of the Obligor or the rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, in respect of the Collateral.
- (3) Except as otherwise provided by law or this Agreement, the Debenture Trustee shall not be:
(a) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral; (b) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or for the purpose of preserving any rights of any Persons in respect of the Collateral; (c) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal with the Collateral; or (d) bound to protect the Collateral from depreciating in value or becoming worthless.

Section 16 Standards of Sale.

Without prejudice to the ability of the Debenture Trustee to dispose of the Collateral in any manner which is commercially reasonable, the Obligor acknowledges that:

- (a) the Collateral may be disposed of in whole or in part;
- (b) the Collateral may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (c) any assignee of such Collateral may be the Debenture Trustee or a customer of the Debenture Trustee;
- (d) any sale conducted by the Debenture Trustee will be at such time and place, on such notice and in accordance with such procedures as the Debenture Trustee, in its sole discretion, may deem advantageous;
- (e) the Collateral may be disposed of in any manner and on any terms necessary to avoid violation of applicable law (including compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that the prospective bidders and purchasers have certain qualifications, and restrict the prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of the Collateral) or in order to obtain any required approval of the disposition (or of the resulting purchase) by any governmental or regulatory authority or official;

- (f) a disposition of Collateral may be on such terms and conditions as to credit or otherwise as the Debenture Trustee, in its sole discretion, may deem advantageous; and
- (g) the Debenture Trustee may establish an upset or reserve bid or price in respect of the Collateral.

Section 17 Dealings by Third Parties.

- (1) No Person dealing with the Debenture Trustee or an agent or receiver shall be required to determine (i) whether the Security Interest has become enforceable, (ii) whether the powers which such Person is purporting to exercise have become exercisable, (iii) whether any money remains due to the Debenture Trustee by the Obligor, (iv) the necessity or expediency of the stipulations and conditions subject to which any sale or lease is made, (v) the propriety or regularity of any sale or other dealing by the Debenture Trustee with the Collateral, or (vi) how any money paid to the Debenture Trustee has been applied.
- (2) Any *bona fide* purchaser of all or any part of the Collateral from the Debenture Trustee or any receiver or agent shall hold the Collateral absolutely, free from any claim or right of whatever kind, including any equity of redemption, of the Obligor, which it specifically waives (to the fullest extent permitted by law) as against any such purchaser together with all rights of redemption, stay or appraisal which the Obligor has or may have under any rule of law or statute now existing or hereafter adopted.

Section 18 Representations, Warranties and Covenants.

The Obligor represents and warrants and covenants and agrees, acknowledging and confirming that the Debenture Trustee, on its behalf and on behalf of the Debentureholders, is relying on such representations, warranties, covenants and agreements, that:

- (1) **Continuous Perfection.** Schedule “A” sets out the Obligor’s: (a) place of business or, if more than one, chief executive office: (b) registered office; and (c) jurisdiction of organization. The Obligor will not change the location of its place of business or chief executive office, as the case may be, registered office or jurisdiction of organization without providing at least thirty (30) days prior written notice to the Debenture Trustee. The Collateral, to the extent not delivered to the Debenture Trustee pursuant to Section 4, is kept and will be kept at those locations listed on Schedule “A”, and the Obligor will not remove the Collateral from such locations, without providing at least thirty (30) days prior written notice to the Debenture Trustee, provided that Collateral may be moved to another location as long as such other location is in a jurisdiction in which the Debenture Trustee has a valid and perfected first ranking security interest in the Collateral. The Obligor will not change its name in any manner without providing at least thirty (30) days prior written notice to the Debenture Trustee.

Section 19 General.

- (1) This Agreement is subject in its entirety to the terms and conditions of the Debenture Indenture and the Pledge Agreement, as applicable.
- (2) Any notice, direction or other communication to be given under this Agreement shall be in writing and given in accordance with the Debenture Indenture.

- (3) The Security Interest shall be discharged upon, but only upon: (a) full and indefeasible payment and performance of the Secured Obligations; and (b) the Debenture Trustee, on its own behalf and on behalf of the Debentureholders, having no commitments under any Security Document. Upon discharge of the Security Interest and at the request and expense of the Obligor, the Debenture Trustee shall execute and deliver to the Obligor such releases, discharges, financing statements and other documents or instruments as the Obligor may reasonably require and the Debenture Trustee will redeliver to the Obligor, or as the Obligor may otherwise direct the Debenture Trustee, any Collateral in its possession.
- (4) This Agreement does not operate by way of merger of any of the Secured Obligations and no judgment recovered by the Debenture Trustee will operate by way of merger of, or in any way affect, the Security Interest, which is in addition to, and not in substitution for, any other security now or hereafter held by the Debenture Trustee, on its own behalf or on behalf of the Debentureholders, in respect of the Secured Obligations. The representations, warranties and covenants of the Obligor in this Agreement survive the execution and delivery of this Agreement and any advances made hereunder. Notwithstanding any investigation made by or on behalf of the Debenture Trustee, the covenants, representations and warranties continue in full force and effect.
- (5) The Obligor will do all acts and things and execute and deliver, or cause to be executed and delivered, all agreements, documents and instruments that the Debenture Trustee may require and take all further steps relating to the Collateral or any other property or assets of the Obligor that the Debenture Trustee may require for: (a) protecting the Collateral; (b) perfecting, preserving and protecting the Security Interest; and (c) exercising all powers, authorities and discretions conferred upon the Debenture Trustee. Upon the occurrence and during the continuance of an Event of Default, the Obligor will do all acts and things and execute and deliver all documents and instruments that the Debenture Trustee may require for facilitating the sale or other disposition of the Collateral in connection with its realization.
- (6) This Agreement is in addition to, without prejudice to and supplemental to all other security now held or which may hereafter be held by the Debenture Trustee.
- (7) This Agreement shall be binding on the Obligor, its respective successors and assigns, and enures to the benefit of the Debenture Trustee, on its own behalf and on behalf of the Debenture Trustee, and its successors and assigns. In any action brought by an assignee to enforce any such right, the Obligor shall not assert against the assignee any claim or defence which the Obligor has or may have against the Debenture Trustee. The Obligor may not assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Debenture Trustee which may be unreasonably withheld.
- (8) The Obligor acknowledges and agrees that in the event it amalgamates with any other corporation or corporations, it is the intention of the parties that the Security Interest: (a) extends to: (i) all of the property and undertaking that any of the amalgamating corporations then owns; (ii) all of the property and undertaking that the amalgamated corporation thereafter acquires; (iii) all of the property and undertaking in which any of the amalgamating corporations then has any interest; and (iv) all of the property and undertaking in which the amalgamated corporation thereafter acquires any interest; and (b) secures the payment and performance of all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by each of the amalgamating corporations and the amalgamated corporation to the Debenture Trustee in any currency, however or wherever incurred, and whether incurred alone or jointly with another or others and whether as principal, guarantor or surety and whether incurred prior to, at the time of or

subsequent to the amalgamation. The Security Interest attaches to the additional collateral at the time of amalgamation and to any collateral thereafter owned or acquired by the amalgamated corporation when such becomes owned or is acquired. Upon any such amalgamation, the defined term “**Obligor**” means, collectively, each of the amalgamating corporations and the amalgamated corporation, the defined term “**Collateral**” means all of the property and undertaking and interests described in (a) above, and the defined term “**Secured Obligations**” means the obligations described in (b) above.

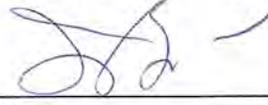
- (9) If any court of competent jurisdiction determines any provision of this Agreement to be illegal, invalid or unenforceable, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.
- (10) This Agreement may only be amended, supplemented or otherwise modified by written agreement executed by the Debenture Trustee and the Obligor.
- (11) No consent or waiver by the Debenture Trustee in respect of this Agreement is binding unless made in writing and signed by an authorized officer of the Debenture Trustee. Any consent or waiver given under this Agreement is effective only in the specific instance and for the specific purpose for which given. No waiver of any of the provisions of this Agreement constitutes a waiver of any other provision. A failure or delay on the part of the Debenture Trustee in exercising a right under this Agreement does not operate as a waiver of, or impair, any right of the Debenture Trustee however arising. A single or partial exercise of a right on the part of the Debenture Trustee does not preclude any other or further exercise of that right or the exercise of any other right by the Debenture Trustee.
- (12) This Agreement will be governed by, interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

[Signature page follows]

IN WITNESS WHEREOF the Obligor has executed this Agreement.

SALUS BIOPHARMA CORPORATION

By:



Name: W. Scott Boyes

Title: Director

SCHEDULE "A"
RELEVANT JURISDICTIONS AND LOCATIONS

Jurisdiction of Organization: Ontario

Registered Address: Yonge Norton Centre
5255 Yonge Street, Suite 701
Toronto, Ontario M2X 6P4

Other Locations: 555 Legget Drive, Unit 536
Kanata, Ontario K2K 3B8

SECURITY AGREEMENT

Security Agreement (as amended, modified, supplemented, restated or replaced from time to time, this “**Agreement**”) dated as of June 30, 2020 (the “**Effective Date**”) made by Spartan Wellness Corporation, a corporation existing under the federal laws of Canada (the “**Obligor**”) to and in favour of AST Trust Company (Canada), as debenture trustee under the Debenture Indenture (as defined herein) (in such capacity, together with its successors and assigns, the “**Debenture Trustee**”).

WHEREAS certain subscribers (the “**Debentureholders**”) have executed and delivered subscription agreements for secured convertible debentures created by and authorized by and issuable under the Debenture Indenture (as defined herein), as issued by MPX International Corporation (“**MPXI**”) on the Effective Date (the “**Secured Debentures**”);

AND WHEREAS the Secured Debentures constitute and make available to MPXI certain loan amounts that mature twenty-four (24) months from the Effective Date and bear interest at a rate of 12% per annum from the Effective Date, payable quarterly in cash in arrears pursuant to the terms and conditions of the Debenture Indenture;

AND WHEREAS the obligations of MPXI pursuant to the Secured Debentures are secured by liens on substantially all of the assets of MPXI pursuant to the Security Documents (as defined herein);

AND WHEREAS as a condition precedent to the issuance of debentures pursuant to Debenture Indenture, the Obligor will execute and deliver a guarantee (the “**Guarantee**”) in favour of the Debenture Trustee, on its own behalf and on behalf of the Debentureholders;

AND WHEREAS it is a condition precedent to the issuance of the Secured Debentures pursuant to the Debenture Indenture that the Obligor execute and deliver this Agreement in favour of the Debenture Trustee, on its own behalf and on behalf of the Debentureholders;

AND WHEREAS MPXI is an affiliate of the Obligor and due to the close business and financial relationships between Obligor and MPXI, the Obligor will derive substantial direct and indirect benefits from such transactions and therefore the Obligor considers it in its best interest to provide this Agreement;

NOW THEREFORE for good and valuable consideration, the receipt of which is hereby acknowledged, the Obligor agrees, for the benefit of the Debenture Trustee, as follows:

Section 1 Defined Terms; Interpretation.

(1) As used in this Agreement, the following terms have the following meanings:

“**Collateral**” has the meaning specified in Section 2.

“**Debenture Indenture**” means the debenture indenture entered into as of the Effective Date between MPXI and the Debenture Trustee, on its own behalf and on behalf of the Debentureholders, providing for the issuance of the Secured Debentures;

“**Encumbrance**” means any mortgage, charge, pledge, hypothecation, security interest, assignment by way of security, lien (statutory or otherwise), encumbrance, conditional sale agreement, capital lease, deposit arrangement, title retention agreement, and any other agreement, trust or arrangement that in substance secures payment or performance of an obligation.

“**Event of Default**” has the meaning specified in the Debenture Indenture.

“**Expenses**” has the meaning specified in Section 3(b).

“**Person**” means a natural person, partnership, corporation, joint stock company, trust, unincorporated association, joint venture or other entity or governmental entity, and pronouns have a similarly extended meaning.

“**Pledge Agreement**” means the securities pledge agreement to be entered into as of the Effective Date between MPXI and the Debenture Trustee, on behalf of the Debentureholders, with respect to the pledge of shares of to the Debenture Trustee, on behalf of the Debentureholders.

“**Secured Obligations**” has the meaning specified in Section 3(a).

“**Security Documents**” means this Agreement, the Guarantee, the Pledge Agreement and such further documents, instruments and other documents that may at any time be required to be provided by the Corporation to the Trustee in accordance with the terms of the Debenture Indenture.

“**Security Interest**” has the meaning specified in Section 3.

- (2) Terms defined in the *Personal Property Security Act* (Ontario) (as amended from time to time, the “**PPSA**”) or the *Securities Transfer Act, 2006* (Ontario) (“**STA**”) and used but not otherwise defined in this Agreement have the same meanings. Capitalized terms used in this Agreement but not defined have the meanings given to them in the Debenture Indenture.
- (3) In this Agreement the words “**including**”, “**includes**” and “**include**” mean “**including (or includes or include) without limitation**”. The expressions “**Section**” and other subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement. Words importing the singular number only include the plural and vice versa. The division of this Agreement into Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect its interpretation.
- (4) Any reference to this Agreement or any Security Document refers to this Agreement or such Security Document as the same may have been or may from time to time be amended, modified, extended, renewed, restated, replaced or supplemented and includes all schedules attached to it. Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules and regulations made under it as the same may have been or may from time to time be amended or re-enacted.
- (5) Any reference in this Agreement to an Encumbrance permitted by this Agreement is not intended to subordinate or postpone, and shall not be interpreted as subordinating or postponing, or as an agreement to subordinate or postpone, any Encumbrance created by any of the Security Documents to any Encumbrance permitted hereunder.

Section 2 Grant of Security.

The Obligor grants to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, a security interest in, and assign, mortgage, charge, hypothecate and pledge to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, all of the property and undertaking of the Obligor now owned or hereafter acquired and all of the property and undertaking in which the Obligor now has or hereafter acquires any interest (collectively, the “**Collateral**”) including all of the Obligor’s:

- (a) present and after acquired property;

- (b) inventory including goods held for sale, lease or resale, goods furnished or to be furnished to third parties under contracts of lease, consignment or service, goods which are raw materials or work in process, goods used in or procured for packing and materials used or consumed in the business of the Obligor;
- (c) equipment, machinery, furniture, fixtures, plant, vehicles and other goods of every kind and description and all licences and other rights and all related records, files, charts, plans, drawings, specifications, manuals and documents;
- (d) accounts due or accruing and all related agreements, books, accounts, invoices, letters, documents and papers recording, evidencing or relating to them;
- (e) money, documents of title, chattel paper, financial assets, investment property and instruments;
- (f) intangibles including all security interests, goodwill, choses in action, contracts, contract rights, licenses and other contractual benefits;
- (g) intellectual property;
- (h) all substitutions and replacements of and increases, additions and, where applicable, accessions to the property described in Section 2(a) through Section 2(g) inclusive; and
- (i) all proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in Section 2(a) through Section 2(h) inclusive, including the proceeds of such proceeds.

Section 3 Obligations Secured.

The security interest, assignment, mortgage, charge, hypothecation and pledge granted by this Agreement (collectively, the “**Security Interest**”) secures the payment and performance of:

- (a) all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by the Obligor to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, in any currency, under, in connection with or pursuant to this Agreement and any other Security Document to which the Obligor is a party, and whether incurred by the applicable Obligor alone or jointly with another or others and whether as principal, guarantor or surety and in whatever name or style (collectively, and together with the Expenses, the “**Secured Obligations**”); and
- (b) all expenses, costs and charges incurred by or on behalf of the Debenture Trustee in connection with this Agreement, the Security Interest or the Collateral, including all legal fees, court costs, receiver’s or agent’s remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling, transferring, delivering or obtaining payment for the Collateral, and of taking, defending or participating in any action or proceeding in connection with any of the foregoing matters or otherwise in connection with the Debenture Trustee’s, for its own benefit and on behalf of the Debentureholders, interest in any Collateral, whether or not directly relating to the enforcement of this Agreement or any other Security Document (collectively, the “**Expenses**”).

Section 4 Attachment.

- (1) The Obligor acknowledges that: (a) value has been given; (b) it has rights in its Collateral or the power to transfer rights in such Collateral to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, (other than after-acquired Collateral); (c) it has not agreed to postpone the time of attachment of the Security Interest; and (d) it has received a copy of this Agreement.
- (2) The Obligor will take all action that the Debenture Trustee deems advisable to cause the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, to have control over any investment property that are now or at any time become Collateral, and will: (a) deliver to and deposit with the Debenture Trustee any instruments that are Collateral; (b) cause the transfer of any instruments to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, to be registered wherever such registration may be required or advisable in the opinion of the Debenture Trustee; (c) endorse any instruments to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, or in blank or register them in the name of the Debenture Trustee or its nominee or otherwise as the Debenture Trustee may direct; and (d) deliver to the Debenture Trustee any and all consents or other documents that may be necessary to effect the transfer of any instruments to the Debenture Trustee or any third party. Notwithstanding the foregoing, and for greater certainty, the Security Interest granted hereby is subject to the terms and conditions of the Debenture Indenture and the Pledge Agreement and investment property delivered by the Obligor to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, are being held by the Debenture Trustee in trust, on a pro rata basis, on its behalf and on behalf of the Debentureholders in accordance with the terms and conditions of the Debenture Indenture and the Pledge Agreement.
- (3) The Security Interest does not extend to consumer goods.
- (4) The Security Interest does not extend or apply to the last day of the term of any lease or sublease of real property or any agreement for a lease or sublease of real property, now held or hereafter acquired by the Obligor, but the Obligor will stand possessed of any such last day upon trust to assign and dispose of it as the Debenture Trustee may reasonably direct.
- (5) To the extent that an assignment of amounts payable and other proceeds arising under or in connection with, or the grant of a security interest in any agreement, licence, permit or quota of the Obligor would result in the termination of such agreement, licence, permit or quota (each, a "**Restricted Asset**"), the Security Interest with respect to each Restricted Asset will constitute a trust created in favour of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, pursuant to which the Obligor holds as trustee all proceeds arising under or in connection with the Restricted Asset in trust for the Debenture Trustee, on its behalf and on behalf of the Debentureholders, on the following basis:
 - (a) subject to the Debenture Indenture and the Pledge Agreement, until the Security Interest is enforceable the Obligor is entitled to receive all such proceeds; and
 - (a) whenever the Security Interest is enforceable, (i) all rights of the Obligor to receive such proceeds cease and all such proceeds will be immediately paid over to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, and (ii) the Obligor will take all actions requested by the Debenture Trustee to collect and enforce payment and other rights arising under the Restricted Asset.

- (6) The Obligor will use all commercially reasonable efforts to obtain the consent of each other party to any and all Restricted Assets to the assignment of such Restricted Asset to the Debenture Trustee in accordance with this Agreement. The Obligor will also use all commercially reasonable efforts to ensure that all agreements entered into on and after the date of this Agreement expressly permit assignments of the benefits of such agreements as collateral security to the Debenture Trustee in accordance with the terms of this Agreement.

Section 5 Grant of Licence to Use Intellectual Property.

At such time as the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, is lawfully entitled to exercise its rights and remedies under Section 10 or Section 11, the Obligor grants to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, an irrevocable, nonexclusive licence (exercisable without payment of royalty or other compensation to the Obligor) to use, assign or sublicense any intellectual property in which the Obligor has rights wherever the same may be located, including in such licence access to (i) all media in which any of the licensed items may be recorded or stored, and (ii) all software and computer programs used for compilation or print-out. The license granted under this Section 5 is to enable the Debenture Trustee to exercise its rights and remedies under Section 9 through Section 17, inclusive, and for no other purpose.

Section 6 Care and Custody of Collateral.

- (1) The Debenture Trustee has no obligation to keep Collateral in its possession identifiable.
- (2) Without limiting any other rights or remedies under this Agreement, the Debenture Trustee may, upon the occurrence and during the continuance of an Event of Default, (i) notify any Person obligated on an instrument, chattel paper, security or account to make payments to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, whether or not the Obligor was previously making collections on such instruments, chattel paper or accounts, and (ii) assume control of any proceeds arising from the Collateral.
- (3) The Debenture Trustee has no obligation to collect dividends, distributions or interest payable on, or exercise any option or right in connection with, any Collateral. The Debenture Trustee has no obligation to protect or preserve any Collateral from depreciating in value or becoming worthless and is released from all responsibility for any loss of value.

Section 7 Rights of the Obligor.

- (1) Until the occurrence of an Event of Default which is continuing, the Obligor is entitled to vote the securities that are part of the Collateral and to receive all dividends and distributions on such securities. Until the occurrence of an Event of Default which is continuing, all rights of the Obligor to vote (under any proxy given by the Debenture Trustee (or its nominee), on its behalf and on behalf of the Debentureholders, or otherwise) or to receive distributions or dividends cease and all such rights become vested solely and absolutely in the Debenture Trustee.
- (2) Any distributions or dividends received by the Obligor contrary to Section 7(1) or any other moneys or property received by the Obligor after the Security Interest is enforceable will be received as trustee for the Debenture Trustee, on its behalf and on behalf of the Debentureholders, and shall be immediately paid over to the Debenture Trustee, on its behalf and on behalf of the Debentureholders.

Section 8 Expenses.

The Obligor is liable for and will pay on demand by the Debenture Trustee any and all Expenses.

Section 9 Enforcement.

The Security Interest becomes and is enforceable against the Obligor upon the occurrence and during the continuance of an Event of Default.

Section 10 Remedies.

Upon the occurrence and during the continuance of an Event of Default, the Debenture Trustee, on its behalf and on behalf of the Debentureholders, may realize upon the Collateral and enforce the rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, by:

- (a) entry onto any premises where Collateral consisting of tangible personal property may be located;
- (b) entry into possession of the Collateral by any method permitted by law;
- (c) sale, grant of options to purchase, or lease of all or any part of the Collateral;
- (d) holding, storing and keeping idle or operating all or any part of the Collateral;
- (e) exercising and enforcing all rights and remedies of a holder of the Collateral as if the Debenture Trustee, on its behalf and on behalf of the Debentureholders, were the absolute owner thereof (including, if necessary, causing the Collateral to be registered in the name of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, or its nominee if not already done);
- (f) collection of any proceeds arising in respect of the Collateral;
- (g) collection, realization or sale of, or other dealing with, accounts;
- (h) license or sublicense, whether on an exclusive or nonexclusive basis, of any intellectual property for such term and on such conditions and in such manner as the Debenture Trustee in its sole judgment determines (taking into account such provisions as may be necessary to protect and preserve such intellectual property);
- (i) instruction or order to any issuer or securities intermediary pursuant to any control the Debenture Trustee has over the Collateral;
- (j) instruction to any bank to transfer all moneys constituting Collateral held by such bank to an account maintained with or by the Debenture Trustee;
- (k) appointment by instrument in writing of a receiver (which term as used in this Agreement includes a receiver and manager) or agent of all or any part of the Collateral and removal or replacement from time to time of any receiver or agent;
- (l) institution of proceedings in any court of competent jurisdiction for the appointment of a receiver of all or any part of the Collateral;

- (m) institution of proceedings in any court of competent jurisdiction for sale or foreclosure of all or any part of the Collateral;
- (n) filing of proofs of claim and other documents to establish claims to the Collateral in any proceeding relating to the Obligor; and
- (o) any other remedy or proceeding authorized or permitted under the PPSA or otherwise by law or equity.

Section 11 Additional Rights.

In addition to the remedies set forth in Section 10 and elsewhere in this Agreement, the Debenture Trustee may, whenever the Security Interest upon the occurrence and during the continuance of an Event of Default:

- (a) require the Obligor, at the Obligor's expense, to assemble the Collateral at a place or places designated by notice in writing and the Obligor agrees to so assemble the Collateral immediately upon receipt of such notice;
- (b) require the Obligor, by notice in writing, to disclose to the Debenture Trustee the location or locations of the Collateral and the Obligor agrees to promptly make such disclosure when so required;
- (c) repair, process, modify, complete or otherwise deal with the Collateral and prepare for the disposition of the Collateral, whether on the premises of the Obligor or otherwise;
- (d) redeem any prior security interest against any Collateral, procure the transfer of such security interest to itself, or settle and pass the accounts of the prior mortgagee, chargee or encumbrancer (any accounts to be conclusive and binding on the Obligor);
- (e) pay any liability secured by any Encumbrance against any Collateral (the Obligor will immediately on demand reimburse the Debenture Trustee for all such payments);
- (f) carry on all or any part of the business of the Obligor and, to the exclusion of all others including the Obligor, enter upon, occupy and use all or any of the premises, buildings, and other property of or used by the Obligor for such time as the Debenture Trustee sees fit, free of charge, and the Debenture Trustee shall not be liable to the Obligor for any act, omission or negligence in so doing or for any rent, charges, depreciation or damages incurred in connection with or resulting from such action;
- (g) borrow for the purpose of carrying on the business of the Obligor or for the maintenance, preservation or protection of the Collateral and grant a security interest in the Collateral, whether or not in priority to the Security Interest, to secure repayment;
- (h) commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and give good and valid receipts and discharges in respect of the Collateral and compromise or give time for the payment or performance of all or any part of the accounts or any other obligation of any third party to the Obligor; and

- (i) at any public sale, and to the extent permitted by law on any private sale, bid for and purchase any or all of the Collateral offered for sale and upon compliance with the terms of such sale, hold, retain and dispose of such Collateral without any further accountability to the Obligor or any other Person with respect to such holding, retention or disposition, except as required by law. In any such sale to the Debenture Trustee, the Debenture Trustee may, for the purpose of making payment for all or any part of the Collateral so purchased, use any claim for Secured Obligations then due and payable to it as a credit against the purchase price.

Section 12 Exercise of Remedies.

The remedies under Section 10 and Section 11 may be exercised from time to time separately or in combination and are in addition to, and not in substitution for, any other rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, however arising or created, including without limitation as may arise or be created under the Debenture Indenture. The Debenture Trustee is not bound to exercise any right or remedy, and the exercise of rights and remedies is without prejudice to the rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, in respect of the Secured Obligations including the right to claim for any deficiency.

Section 13 Receiver's Powers.

- (1) Any receiver appointed by the Debenture Trustee shall be vested with the rights and remedies which could have been exercised by the Debenture Trustee, on its behalf and on behalf of the Debentureholders, in respect of the Obligor or the Collateral and such other powers and discretions as are granted in the instrument of appointment and any supplemental instruments. The identity of the receiver, its replacement and its remuneration shall be within the sole and unfettered discretion of the Debenture Trustee.
- (2) Any receiver appointed by the Debenture Trustee shall act as agent for the Debenture Trustee for the purposes of taking possession of the Collateral, but otherwise and for all other purposes (except as provided below), as agent for the Obligor. The receiver may sell, lease, or otherwise dispose of Collateral as agent for the Obligor or as agent for the Debenture Trustee as the Debenture Trustee may determine in its discretion. The Obligor agree to ratify and confirm all actions of the receiver acting as agent for the Obligor, and to release and indemnify the receiver in respect of all such actions.
- (3) The Debenture Trustee, in appointing or refraining from appointing any receiver, shall not incur liability to the receiver, the Obligor or otherwise and shall not be responsible for any misconduct or negligence of the receiver.

Section 14 Appointment of Attorney.

The Obligor hereby irrevocably constitute and appoint the Debenture Trustee (and any officer of the Debenture Trustee), on its behalf and on behalf of the Debentureholders, the true and lawful attorney of the Obligor. As the attorney of the Obligor, the Debenture Trustee has the power to exercise for and in the name of the Obligor with full power of substitution, upon the occurrence and during the continuance of an Event of Default, any of the Obligor's right (including the right of disposal), title and interest in and to the Collateral including the execution, endorsement, delivery and transfer of the Collateral to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, its nominees or transferees, and the Debenture Trustee and its nominees or transferees are hereby empowered to exercise all rights and powers and to perform all acts of ownership with respect to the Collateral to the same extent as the Obligor might do. This

power of attorney is irrevocable, is coupled with an interest, has been given for valuable consideration (the receipt and adequacy of which is acknowledged) and survives, and does not terminate upon, the bankruptcy, dissolution, winding up or insolvency of the Obligor. This power of attorney extends to and is binding upon the Obligor's successors and permitted assigns.

Section 15 Dealing with the Collateral.

- (1) The Debenture Trustee shall not be obliged to exhaust its recourse against the Obligor or any other Person or against any other security it may hold in respect of the Secured Obligations before realizing upon or otherwise dealing with the Collateral in such manner as the Debenture Trustee may consider desirable.
- (2) The Debenture Trustee may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Obligor and with other Persons, sureties or securities as it may see fit without prejudice to the Secured Obligations, the liability of the Obligor or the rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, in respect of the Collateral.
- (3) Except as otherwise provided by law or this Agreement, the Debenture Trustee shall not be:
(a) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral; (b) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or for the purpose of preserving any rights of any Persons in respect of the Collateral; (c) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal with the Collateral; or (d) bound to protect the Collateral from depreciating in value or becoming worthless.

Section 16 Standards of Sale.

Without prejudice to the ability of the Debenture Trustee to dispose of the Collateral in any manner which is commercially reasonable, the Obligor acknowledges that:

- (a) the Collateral may be disposed of in whole or in part;
- (b) the Collateral may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (c) any assignee of such Collateral may be the Debenture Trustee or a customer of the Debenture Trustee;
- (d) any sale conducted by the Debenture Trustee will be at such time and place, on such notice and in accordance with such procedures as the Debenture Trustee, in its sole discretion, may deem advantageous;
- (e) the Collateral may be disposed of in any manner and on any terms necessary to avoid violation of applicable law (including compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that the prospective bidders and purchasers have certain qualifications, and restrict the prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of the Collateral) or in order to obtain any required approval of the disposition (or of the resulting purchase) by any governmental or regulatory authority or official;

- (f) a disposition of Collateral may be on such terms and conditions as to credit or otherwise as the Debenture Trustee, in its sole discretion, may deem advantageous; and
- (g) the Debenture Trustee may establish an upset or reserve bid or price in respect of the Collateral.

Section 17 Dealings by Third Parties.

- (1) No Person dealing with the Debenture Trustee or an agent or receiver shall be required to determine (i) whether the Security Interest has become enforceable, (ii) whether the powers which such Person is purporting to exercise have become exercisable, (iii) whether any money remains due to the Debenture Trustee by the Obligor, (iv) the necessity or expediency of the stipulations and conditions subject to which any sale or lease is made, (v) the propriety or regularity of any sale or other dealing by the Debenture Trustee with the Collateral, or (vi) how any money paid to the Debenture Trustee has been applied.
- (2) Any *bona fide* purchaser of all or any part of the Collateral from the Debenture Trustee or any receiver or agent shall hold the Collateral absolutely, free from any claim or right of whatever kind, including any equity of redemption, of the Obligor, which it specifically waives (to the fullest extent permitted by law) as against any such purchaser together with all rights of redemption, stay or appraisal which the Obligor has or may have under any rule of law or statute now existing or hereafter adopted.

Section 18 Representations, Warranties and Covenants.

The Obligor represents and warrants and covenants and agrees, acknowledging and confirming that the Debenture Trustee, on its behalf and on behalf of the Debentureholders, is relying on such representations, warranties, covenants and agreements, that:

- (1) **Continuous Perfection.** Schedule “A” sets out the Obligor’s: (a) place of business or, if more than one, chief executive office: (b) registered office; and (c) jurisdiction of organization. The Obligor will not change the location of its place of business or chief executive office, as the case may be, registered office or jurisdiction of organization without providing at least thirty (30) days prior written notice to the Debenture Trustee. The Collateral, to the extent not delivered to the Debenture Trustee pursuant to Section 4, is kept and will be kept at those locations listed on Schedule “A”, and the Obligor will not remove the Collateral from such locations, without providing at least thirty (30) days prior written notice to the Debenture Trustee, provided that Collateral may be moved to another location as long as such other location is in a jurisdiction in which the Debenture Trustee has a valid and perfected first ranking security interest in the Collateral. The Obligor will not change its name in any manner without providing at least thirty (30) days prior written notice to the Debenture Trustee.

Section 19 General.

- (1) This Agreement is subject in its entirety to the terms and conditions of the Debenture Indenture and the Pledge Agreement, as applicable.
- (2) Any notice, direction or other communication to be given under this Agreement shall be in writing and given in accordance with the Debenture Indenture.

- (3) The Security Interest shall be discharged upon, but only upon: (a) full and indefeasible payment and performance of the Secured Obligations; and (b) the Debenture Trustee, on its own behalf and on behalf of the Debentureholders, having no commitments under any Security Document. Upon discharge of the Security Interest and at the request and expense of the Obligor, the Debenture Trustee shall execute and deliver to the Obligor such releases, discharges, financing statements and other documents or instruments as the Obligor may reasonably require and the Debenture Trustee will redeliver to the Obligor, or as the Obligor may otherwise direct the Debenture Trustee, any Collateral in its possession.
- (4) This Agreement does not operate by way of merger of any of the Secured Obligations and no judgment recovered by the Debenture Trustee will operate by way of merger of, or in any way affect, the Security Interest, which is in addition to, and not in substitution for, any other security now or hereafter held by the Debenture Trustee, on its own behalf or on behalf of the Debentureholders, in respect of the Secured Obligations. The representations, warranties and covenants of the Obligor in this Agreement survive the execution and delivery of this Agreement and any advances made hereunder. Notwithstanding any investigation made by or on behalf of the Debenture Trustee, the covenants, representations and warranties continue in full force and effect.
- (5) The Obligor will do all acts and things and execute and deliver, or cause to be executed and delivered, all agreements, documents and instruments that the Debenture Trustee may require and take all further steps relating to the Collateral or any other property or assets of the Obligor that the Debenture Trustee may require for: (a) protecting the Collateral; (b) perfecting, preserving and protecting the Security Interest; and (c) exercising all powers, authorities and discretions conferred upon the Debenture Trustee. Upon the occurrence and during the continuance of an Event of Default, the Obligor will do all acts and things and execute and deliver all documents and instruments that the Debenture Trustee may require for facilitating the sale or other disposition of the Collateral in connection with its realization.
- (6) This Agreement is in addition to, without prejudice to and supplemental to all other security now held or which may hereafter be held by the Debenture Trustee.
- (7) This Agreement shall be binding on the Obligor, its respective successors and assigns, and enures to the benefit of the Debenture Trustee, on its own behalf and on behalf of the Debenture Trustee, and its successors and assigns. In any action brought by an assignee to enforce any such right, the Obligor shall not assert against the assignee any claim or defence which the Obligor has or may have against the Debenture Trustee. The Obligor may not assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Debenture Trustee which may be unreasonably withheld.
- (8) The Obligor acknowledges and agrees that in the event it amalgamates with any other corporation or corporations, it is the intention of the parties that the Security Interest: (a) extends to: (i) all of the property and undertaking that any of the amalgamating corporations then owns; (ii) all of the property and undertaking that the amalgamated corporation thereafter acquires; (iii) all of the property and undertaking in which any of the amalgamating corporations then has any interest; and (iv) all of the property and undertaking in which the amalgamated corporation thereafter acquires any interest; and (b) secures the payment and performance of all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by each of the amalgamating corporations and the amalgamated corporation to the Debenture Trustee in any currency, however or wherever incurred, and whether incurred alone or jointly with another or others and whether as principal, guarantor or surety and whether incurred prior to, at the time of or

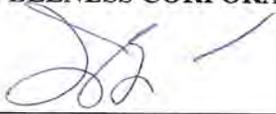
subsequent to the amalgamation. The Security Interest attaches to the additional collateral at the time of amalgamation and to any collateral thereafter owned or acquired by the amalgamated corporation when such becomes owned or is acquired. Upon any such amalgamation, the defined term “**Obligor**” means, collectively, each of the amalgamating corporations and the amalgamated corporation, the defined term “**Collateral**” means all of the property and undertaking and interests described in (a) above, and the defined term “**Secured Obligations**” means the obligations described in (b) above.

- (9) If any court of competent jurisdiction determines any provision of this Agreement to be illegal, invalid or unenforceable, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.
- (10) This Agreement may only be amended, supplemented or otherwise modified by written agreement executed by the Debenture Trustee and the Obligor.
- (11) No consent or waiver by the Debenture Trustee in respect of this Agreement is binding unless made in writing and signed by an authorized officer of the Debenture Trustee. Any consent or waiver given under this Agreement is effective only in the specific instance and for the specific purpose for which given. No waiver of any of the provisions of this Agreement constitutes a waiver of any other provision. A failure or delay on the part of the Debenture Trustee in exercising a right under this Agreement does not operate as a waiver of, or impair, any right of the Debenture Trustee however arising. A single or partial exercise of a right on the part of the Debenture Trustee does not preclude any other or further exercise of that right or the exercise of any other right by the Debenture Trustee.
- (12) This Agreement will be governed by, interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

[Signature page follows]

IN WITNESS WHEREOF the Obligor has executed this Agreement.

SPARTAN WELLNESS CORPORATION

By: 

Name: W. Scott Boyes

Title: Director

SCHEDULE "A"
RELEVANT JURISDICTIONS AND LOCATIONS

Jurisdiction of Organization: Federal (Canada)

Registered Address: Yonge Norton Centre
5255 Yonge Street, Suite 701
Toronto, Ontario M2X 6P4

Other Locations: 555 Legget Drive, Unit 536
Kanata, Ontario K2K 3B8

SECURITY AGREEMENT

Security Agreement (as amended, modified, supplemented, restated or replaced from time to time, this “**Agreement**”) dated as of June 30, 2020 (the “**Effective Date**”) made by The CinG-X Corporation, a corporation existing under the laws of the Province of Ontario (the “**Obligor**”) to and in favour of AST Trust Company (Canada), as debenture trustee under the Debenture Indenture (as defined herein) (in such capacity, together with its successors and assigns, the “**Debenture Trustee**”).

WHEREAS certain subscribers (the “**Debentureholders**”) have executed and delivered subscription agreements for secured convertible debentures created by and authorized by and issuable under the Debenture Indenture (as defined herein), as issued by MPX International Corporation (“**MPXI**”) on the Effective Date (the “**Secured Debentures**”);

AND WHEREAS the Secured Debentures constitute and make available to MPXI certain loan amounts that mature twenty-four (24) months from the Effective Date and bear interest at a rate of 12% per annum from the Effective Date, payable quarterly in cash in arrears pursuant to the terms and conditions of the Debenture Indenture;

AND WHEREAS the obligations of MPXI pursuant to the Secured Debentures are secured by liens on substantially all of the assets of MPXI pursuant to the Security Documents (as defined herein);

AND WHEREAS as a condition precedent to the issuance of debentures pursuant to Debenture Indenture, the Obligor will execute and deliver a guarantee (the “**Guarantee**”) in favour of the Debenture Trustee, on its own behalf and on behalf of the Debentureholders;

AND WHEREAS it is a condition precedent to the issuance of the Secured Debentures pursuant to the Debenture Indenture that the Obligor execute and deliver this Agreement in favour of the Debenture Trustee, on its own behalf and on behalf of the Debentureholders;

AND WHEREAS MPXI is an affiliate of the Obligor and due to the close business and financial relationships between Obligor and MPXI, the Obligor will derive substantial direct and indirect benefits from such transactions and therefore the Obligor considers it in its best interest to provide this Agreement;

NOW THEREFORE for good and valuable consideration, the receipt of which is hereby acknowledged, the Obligor agrees, for the benefit of the Debenture Trustee, as follows:

Section 1 Defined Terms; Interpretation.

(1) As used in this Agreement, the following terms have the following meanings:

“**Collateral**” has the meaning specified in Section 2.

“**Debenture Indenture**” means the debenture indenture entered into as of the Effective Date between MPXI and the Debenture Trustee, on its own behalf and on behalf of the Debentureholders, providing for the issuance of the Secured Debentures;

“**Encumbrance**” means any mortgage, charge, pledge, hypothecation, security interest, assignment by way of security, lien (statutory or otherwise), encumbrance, conditional sale agreement, capital lease, deposit arrangement, title retention agreement, and any other agreement, trust or arrangement that in substance secures payment or performance of an obligation.

“**Event of Default**” has the meaning specified in the Debenture Indenture.

“**Expenses**” has the meaning specified in Section 3(b).

“**Person**” means a natural person, partnership, corporation, joint stock company, trust, unincorporated association, joint venture or other entity or governmental entity, and pronouns have a similarly extended meaning.

“**Pledge Agreement**” means the securities pledge agreement to be entered into as of the Effective Date between MPXI and the Debenture Trustee, on behalf of the Debentureholders, with respect to the pledge of shares of to the Debenture Trustee, on behalf of the Debentureholders.

“**Secured Obligations**” has the meaning specified in Section 3(a).

“**Security Documents**” means this Agreement, the Guarantee, the Pledge Agreement and such further documents, instruments and other documents that may at any time be required to be provided by the Corporation to the Trustee in accordance with the terms of the Debenture Indenture.

“**Security Interest**” has the meaning specified in Section 3.

- (2) Terms defined in the *Personal Property Security Act* (Ontario) (as amended from time to time, the “**PPSA**”) or the *Securities Transfer Act, 2006* (Ontario) (“**STA**”) and used but not otherwise defined in this Agreement have the same meanings. Capitalized terms used in this Agreement but not defined have the meanings given to them in the Debenture Indenture.
- (3) In this Agreement the words “**including**”, “**includes**” and “**include**” mean “**including (or includes or include) without limitation**”. The expressions “**Section**” and other subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement. Words importing the singular number only include the plural and vice versa. The division of this Agreement into Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect its interpretation.
- (4) Any reference to this Agreement or any Security Document refers to this Agreement or such Security Document as the same may have been or may from time to time be amended, modified, extended, renewed, restated, replaced or supplemented and includes all schedules attached to it. Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules and regulations made under it as the same may have been or may from time to time be amended or re-enacted.
- (5) Any reference in this Agreement to an Encumbrance permitted by this Agreement is not intended to subordinate or postpone, and shall not be interpreted as subordinating or postponing, or as an agreement to subordinate or postpone, any Encumbrance created by any of the Security Documents to any Encumbrance permitted hereunder.

Section 2 Grant of Security.

The Obligor grants to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, a security interest in, and assign, mortgage, charge, hypothecate and pledge to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, all of the property and undertaking of the Obligor now owned or hereafter acquired and all of the property and undertaking in which the Obligor now has or hereafter acquires any interest (collectively, the “**Collateral**”) including all of the Obligor’s:

- (a) present and after acquired property;

- (b) inventory including goods held for sale, lease or resale, goods furnished or to be furnished to third parties under contracts of lease, consignment or service, goods which are raw materials or work in process, goods used in or procured for packing and materials used or consumed in the business of the Obligor;
- (c) equipment, machinery, furniture, fixtures, plant, vehicles and other goods of every kind and description and all licences and other rights and all related records, files, charts, plans, drawings, specifications, manuals and documents;
- (d) accounts due or accruing and all related agreements, books, accounts, invoices, letters, documents and papers recording, evidencing or relating to them;
- (e) money, documents of title, chattel paper, financial assets, investment property and instruments;
- (f) intangibles including all security interests, goodwill, choses in action, contracts, contract rights, licenses and other contractual benefits;
- (g) intellectual property;
- (h) all substitutions and replacements of and increases, additions and, where applicable, accessions to the property described in Section 2(a) through Section 2(g) inclusive; and
- (i) all proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in Section 2(a) through Section 2(h) inclusive, including the proceeds of such proceeds.

Section 3 Obligations Secured.

The security interest, assignment, mortgage, charge, hypothecation and pledge granted by this Agreement (collectively, the “**Security Interest**”) secures the payment and performance of:

- (a) all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by the Obligor to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, in any currency, under, in connection with or pursuant to this Agreement and any other Security Document to which the Obligor is a party, and whether incurred by the applicable Obligor alone or jointly with another or others and whether as principal, guarantor or surety and in whatever name or style (collectively, and together with the Expenses, the “**Secured Obligations**”); and
- (b) all expenses, costs and charges incurred by or on behalf of the Debenture Trustee in connection with this Agreement, the Security Interest or the Collateral, including all legal fees, court costs, receiver’s or agent’s remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling, transferring, delivering or obtaining payment for the Collateral, and of taking, defending or participating in any action or proceeding in connection with any of the foregoing matters or otherwise in connection with the Debenture Trustee’s, for its own benefit and on behalf of the Debentureholders, interest in any Collateral, whether or not directly relating to the enforcement of this Agreement or any other Security Document (collectively, the “**Expenses**”).

Section 4 Attachment.

- (1) The Obligor acknowledges that: (a) value has been given; (b) it has rights in its Collateral or the power to transfer rights in such Collateral to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, (other than after-acquired Collateral); (c) it has not agreed to postpone the time of attachment of the Security Interest; and (d) it has received a copy of this Agreement.
- (2) The Obligor will take all action that the Debenture Trustee deems advisable to cause the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, to have control over any investment property that are now or at any time become Collateral, and will: (a) deliver to and deposit with the Debenture Trustee any instruments that are Collateral; (b) cause the transfer of any instruments to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, to be registered wherever such registration may be required or advisable in the opinion of the Debenture Trustee; (c) endorse any instruments to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, or in blank or register them in the name of the Debenture Trustee or its nominee or otherwise as the Debenture Trustee may direct; and (d) deliver to the Debenture Trustee any and all consents or other documents that may be necessary to effect the transfer of any instruments to the Debenture Trustee or any third party. Notwithstanding the foregoing, and for greater certainty, the Security Interest granted hereby is subject to the terms and conditions of the Debenture Indenture and the Pledge Agreement and investment property delivered by the Obligor to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, are being held by the Debenture Trustee in trust, on a pro rata basis, on its behalf and on behalf of the Debentureholders in accordance with the terms and conditions of the Debenture Indenture and the Pledge Agreement.
- (3) The Security Interest does not extend to consumer goods.
- (4) The Security Interest does not extend or apply to the last day of the term of any lease or sublease of real property or any agreement for a lease or sublease of real property, now held or hereafter acquired by the Obligor, but the Obligor will stand possessed of any such last day upon trust to assign and dispose of it as the Debenture Trustee may reasonably direct.
- (5) To the extent that an assignment of amounts payable and other proceeds arising under or in connection with, or the grant of a security interest in any agreement, licence, permit or quota of the Obligor would result in the termination of such agreement, licence, permit or quota (each, a "**Restricted Asset**"), the Security Interest with respect to each Restricted Asset will constitute a trust created in favour of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, pursuant to which the Obligor holds as trustee all proceeds arising under or in connection with the Restricted Asset in trust for the Debenture Trustee, on its behalf and on behalf of the Debentureholders, on the following basis:
 - (a) subject to the Debenture Indenture and the Pledge Agreement, until the Security Interest is enforceable the Obligor is entitled to receive all such proceeds; and
 - (a) whenever the Security Interest is enforceable, (i) all rights of the Obligor to receive such proceeds cease and all such proceeds will be immediately paid over to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, and (ii) the Obligor will take all actions requested by the Debenture Trustee to collect and enforce payment and other rights arising under the Restricted Asset.

- (6) The Obligor will use all commercially reasonable efforts to obtain the consent of each other party to any and all Restricted Assets to the assignment of such Restricted Asset to the Debenture Trustee in accordance with this Agreement. The Obligor will also use all commercially reasonable efforts to ensure that all agreements entered into on and after the date of this Agreement expressly permit assignments of the benefits of such agreements as collateral security to the Debenture Trustee in accordance with the terms of this Agreement.

Section 5 Grant of Licence to Use Intellectual Property.

At such time as the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, is lawfully entitled to exercise its rights and remedies under Section 10 or Section 11, the Obligor grants to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, an irrevocable, nonexclusive licence (exercisable without payment of royalty or other compensation to the Obligor) to use, assign or sublicense any intellectual property in which the Obligor has rights wherever the same may be located, including in such licence access to (i) all media in which any of the licensed items may be recorded or stored, and (ii) all software and computer programs used for compilation or print-out. The license granted under this Section 5 is to enable the Debenture Trustee to exercise its rights and remedies under Section 9 through Section 17, inclusive, and for no other purpose.

Section 6 Care and Custody of Collateral.

- (1) The Debenture Trustee has no obligation to keep Collateral in its possession identifiable.
- (2) Without limiting any other rights or remedies under this Agreement, the Debenture Trustee may, upon the occurrence and during the continuance of an Event of Default, (i) notify any Person obligated on an instrument, chattel paper, security or account to make payments to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, whether or not the Obligor was previously making collections on such instruments, chattel paper or accounts, and (ii) assume control of any proceeds arising from the Collateral.
- (3) The Debenture Trustee has no obligation to collect dividends, distributions or interest payable on, or exercise any option or right in connection with, any Collateral. The Debenture Trustee has no obligation to protect or preserve any Collateral from depreciating in value or becoming worthless and is released from all responsibility for any loss of value.

Section 7 Rights of the Obligor.

- (1) Until the occurrence of an Event of Default which is continuing, the Obligor is entitled to vote the securities that are part of the Collateral and to receive all dividends and distributions on such securities. Until the occurrence of an Event of Default which is continuing, all rights of the Obligor to vote (under any proxy given by the Debenture Trustee (or its nominee), on its behalf and on behalf of the Debentureholders, or otherwise) or to receive distributions or dividends cease and all such rights become vested solely and absolutely in the Debenture Trustee.
- (2) Any distributions or dividends received by the Obligor contrary to Section 7(1) or any other moneys or property received by the Obligor after the Security Interest is enforceable will be received as trustee for the Debenture Trustee, on its behalf and on behalf of the Debentureholders, and shall be immediately paid over to the Debenture Trustee, on its behalf and on behalf of the Debentureholders.

Section 8 Expenses.

The Obligor is liable for and will pay on demand by the Debenture Trustee any and all Expenses.

Section 9 Enforcement.

The Security Interest becomes and is enforceable against the Obligor upon the occurrence and during the continuance of an Event of Default.

Section 10 Remedies.

Upon the occurrence and during the continuance of an Event of Default, the Debenture Trustee, on its behalf and on behalf of the Debentureholders, may realize upon the Collateral and enforce the rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, by:

- (a) entry onto any premises where Collateral consisting of tangible personal property may be located;
- (b) entry into possession of the Collateral by any method permitted by law;
- (c) sale, grant of options to purchase, or lease of all or any part of the Collateral;
- (d) holding, storing and keeping idle or operating all or any part of the Collateral;
- (e) exercising and enforcing all rights and remedies of a holder of the Collateral as if the Debenture Trustee, on its behalf and on behalf of the Debentureholders, were the absolute owner thereof (including, if necessary, causing the Collateral to be registered in the name of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, or its nominee if not already done);
- (f) collection of any proceeds arising in respect of the Collateral;
- (g) collection, realization or sale of, or other dealing with, accounts;
- (h) license or sublicense, whether on an exclusive or nonexclusive basis, of any intellectual property for such term and on such conditions and in such manner as the Debenture Trustee in its sole judgment determines (taking into account such provisions as may be necessary to protect and preserve such intellectual property);
- (i) instruction or order to any issuer or securities intermediary pursuant to any control the Debenture Trustee has over the Collateral;
- (j) instruction to any bank to transfer all moneys constituting Collateral held by such bank to an account maintained with or by the Debenture Trustee;
- (k) appointment by instrument in writing of a receiver (which term as used in this Agreement includes a receiver and manager) or agent of all or any part of the Collateral and removal or replacement from time to time of any receiver or agent;
- (l) institution of proceedings in any court of competent jurisdiction for the appointment of a receiver of all or any part of the Collateral;

- (m) institution of proceedings in any court of competent jurisdiction for sale or foreclosure of all or any part of the Collateral;
- (n) filing of proofs of claim and other documents to establish claims to the Collateral in any proceeding relating to the Obligor; and
- (o) any other remedy or proceeding authorized or permitted under the PPSA or otherwise by law or equity.

Section 11 Additional Rights.

In addition to the remedies set forth in Section 10 and elsewhere in this Agreement, the Debenture Trustee may, whenever the Security Interest upon the occurrence and during the continuance of an Event of Default:

- (a) require the Obligor, at the Obligor's expense, to assemble the Collateral at a place or places designated by notice in writing and the Obligor agrees to so assemble the Collateral immediately upon receipt of such notice;
- (b) require the Obligor, by notice in writing, to disclose to the Debenture Trustee the location or locations of the Collateral and the Obligor agrees to promptly make such disclosure when so required;
- (c) repair, process, modify, complete or otherwise deal with the Collateral and prepare for the disposition of the Collateral, whether on the premises of the Obligor or otherwise;
- (d) redeem any prior security interest against any Collateral, procure the transfer of such security interest to itself, or settle and pass the accounts of the prior mortgagee, chargee or encumbrancer (any accounts to be conclusive and binding on the Obligor);
- (e) pay any liability secured by any Encumbrance against any Collateral (the Obligor will immediately on demand reimburse the Debenture Trustee for all such payments);
- (f) carry on all or any part of the business of the Obligor and, to the exclusion of all others including the Obligor, enter upon, occupy and use all or any of the premises, buildings, and other property of or used by the Obligor for such time as the Debenture Trustee sees fit, free of charge, and the Debenture Trustee shall not be liable to the Obligor for any act, omission or negligence in so doing or for any rent, charges, depreciation or damages incurred in connection with or resulting from such action;
- (g) borrow for the purpose of carrying on the business of the Obligor or for the maintenance, preservation or protection of the Collateral and grant a security interest in the Collateral, whether or not in priority to the Security Interest, to secure repayment;
- (h) commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and give good and valid receipts and discharges in respect of the Collateral and compromise or give time for the payment or performance of all or any part of the accounts or any other obligation of any third party to the Obligor; and

- (i) at any public sale, and to the extent permitted by law on any private sale, bid for and purchase any or all of the Collateral offered for sale and upon compliance with the terms of such sale, hold, retain and dispose of such Collateral without any further accountability to the Obligor or any other Person with respect to such holding, retention or disposition, except as required by law. In any such sale to the Debenture Trustee, the Debenture Trustee may, for the purpose of making payment for all or any part of the Collateral so purchased, use any claim for Secured Obligations then due and payable to it as a credit against the purchase price.

Section 12 Exercise of Remedies.

The remedies under Section 10 and Section 11 may be exercised from time to time separately or in combination and are in addition to, and not in substitution for, any other rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, however arising or created, including without limitation as may arise or be created under the Debenture Indenture. The Debenture Trustee is not bound to exercise any right or remedy, and the exercise of rights and remedies is without prejudice to the rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, in respect of the Secured Obligations including the right to claim for any deficiency.

Section 13 Receiver's Powers.

- (1) Any receiver appointed by the Debenture Trustee shall be vested with the rights and remedies which could have been exercised by the Debenture Trustee, on its behalf and on behalf of the Debentureholders, in respect of the Obligor or the Collateral and such other powers and discretions as are granted in the instrument of appointment and any supplemental instruments. The identity of the receiver, its replacement and its remuneration shall be within the sole and unfettered discretion of the Debenture Trustee.
- (2) Any receiver appointed by the Debenture Trustee shall act as agent for the Debenture Trustee for the purposes of taking possession of the Collateral, but otherwise and for all other purposes (except as provided below), as agent for the Obligor. The receiver may sell, lease, or otherwise dispose of Collateral as agent for the Obligor or as agent for the Debenture Trustee as the Debenture Trustee may determine in its discretion. The Obligor agree to ratify and confirm all actions of the receiver acting as agent for the Obligor, and to release and indemnify the receiver in respect of all such actions.
- (3) The Debenture Trustee, in appointing or refraining from appointing any receiver, shall not incur liability to the receiver, the Obligor or otherwise and shall not be responsible for any misconduct or negligence of the receiver.

Section 14 Appointment of Attorney.

The Obligor hereby irrevocably constitute and appoint the Debenture Trustee (and any officer of the Debenture Trustee), on its behalf and on behalf of the Debentureholders, the true and lawful attorney of the Obligor. As the attorney of the Obligor, the Debenture Trustee has the power to exercise for and in the name of the Obligor with full power of substitution, upon the occurrence and during the continuance of an Event of Default, any of the Obligor's right (including the right of disposal), title and interest in and to the Collateral including the execution, endorsement, delivery and transfer of the Collateral to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, its nominees or transferees, and the Debenture Trustee and its nominees or transferees are hereby empowered to exercise all rights and powers and to perform all acts of ownership with respect to the Collateral to the same extent as the Obligor might do. This

power of attorney is irrevocable, is coupled with an interest, has been given for valuable consideration (the receipt and adequacy of which is acknowledged) and survives, and does not terminate upon, the bankruptcy, dissolution, winding up or insolvency of the Obligor. This power of attorney extends to and is binding upon the Obligor's successors and permitted assigns.

Section 15 Dealing with the Collateral.

- (1) The Debenture Trustee shall not be obliged to exhaust its recourse against the Obligor or any other Person or against any other security it may hold in respect of the Secured Obligations before realizing upon or otherwise dealing with the Collateral in such manner as the Debenture Trustee may consider desirable.
- (2) The Debenture Trustee may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Obligor and with other Persons, sureties or securities as it may see fit without prejudice to the Secured Obligations, the liability of the Obligor or the rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, in respect of the Collateral.
- (3) Except as otherwise provided by law or this Agreement, the Debenture Trustee shall not be:
(a) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral; (b) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or for the purpose of preserving any rights of any Persons in respect of the Collateral; (c) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal with the Collateral; or (d) bound to protect the Collateral from depreciating in value or becoming worthless.

Section 16 Standards of Sale.

Without prejudice to the ability of the Debenture Trustee to dispose of the Collateral in any manner which is commercially reasonable, the Obligor acknowledges that:

- (a) the Collateral may be disposed of in whole or in part;
- (b) the Collateral may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (c) any assignee of such Collateral may be the Debenture Trustee or a customer of the Debenture Trustee;
- (d) any sale conducted by the Debenture Trustee will be at such time and place, on such notice and in accordance with such procedures as the Debenture Trustee, in its sole discretion, may deem advantageous;
- (e) the Collateral may be disposed of in any manner and on any terms necessary to avoid violation of applicable law (including compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that the prospective bidders and purchasers have certain qualifications, and restrict the prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of the Collateral) or in order to obtain any required approval of the disposition (or of the resulting purchase) by any governmental or regulatory authority or official;

- (f) a disposition of Collateral may be on such terms and conditions as to credit or otherwise as the Debenture Trustee, in its sole discretion, may deem advantageous; and
- (g) the Debenture Trustee may establish an upset or reserve bid or price in respect of the Collateral.

Section 17 Dealings by Third Parties.

- (1) No Person dealing with the Debenture Trustee or an agent or receiver shall be required to determine (i) whether the Security Interest has become enforceable, (ii) whether the powers which such Person is purporting to exercise have become exercisable, (iii) whether any money remains due to the Debenture Trustee by the Obligor, (iv) the necessity or expediency of the stipulations and conditions subject to which any sale or lease is made, (v) the propriety or regularity of any sale or other dealing by the Debenture Trustee with the Collateral, or (vi) how any money paid to the Debenture Trustee has been applied.
- (2) Any *bona fide* purchaser of all or any part of the Collateral from the Debenture Trustee or any receiver or agent shall hold the Collateral absolutely, free from any claim or right of whatever kind, including any equity of redemption, of the Obligor, which it specifically waives (to the fullest extent permitted by law) as against any such purchaser together with all rights of redemption, stay or appraisal which the Obligor has or may have under any rule of law or statute now existing or hereafter adopted.

Section 18 Representations, Warranties and Covenants.

The Obligor represents and warrants and covenants and agrees, acknowledging and confirming that the Debenture Trustee, on its behalf and on behalf of the Debentureholders, is relying on such representations, warranties, covenants and agreements, that:

- (1) **Continuous Perfection.** Schedule “A” sets out the Obligor’s: (a) place of business or, if more than one, chief executive office: (b) registered office; and (c) jurisdiction of organization. The Obligor will not change the location of its place of business or chief executive office, as the case may be, registered office or jurisdiction of organization without providing at least thirty (30) days prior written notice to the Debenture Trustee. The Collateral, to the extent not delivered to the Debenture Trustee pursuant to Section 4, is kept and will be kept at those locations listed on Schedule “A”, and the Obligor will not remove the Collateral from such locations, without providing at least thirty (30) days prior written notice to the Debenture Trustee, provided that Collateral may be moved to another location as long as such other location is in a jurisdiction in which the Debenture Trustee has a valid and perfected first ranking security interest in the Collateral. The Obligor will not change its name in any manner without providing at least thirty (30) days prior written notice to the Debenture Trustee.

Section 19 General.

- (1) This Agreement is subject in its entirety to the terms and conditions of the Debenture Indenture and the Pledge Agreement, as applicable.
- (2) Any notice, direction or other communication to be given under this Agreement shall be in writing and given in accordance with the Debenture Indenture.

- (3) The Security Interest shall be discharged upon, but only upon: (a) full and indefeasible payment and performance of the Secured Obligations; and (b) the Debenture Trustee, on its own behalf and on behalf of the Debentureholders, having no commitments under any Security Document. Upon discharge of the Security Interest and at the request and expense of the Obligor, the Debenture Trustee shall execute and deliver to the Obligor such releases, discharges, financing statements and other documents or instruments as the Obligor may reasonably require and the Debenture Trustee will redeliver to the Obligor, or as the Obligor may otherwise direct the Debenture Trustee, any Collateral in its possession.
- (4) This Agreement does not operate by way of merger of any of the Secured Obligations and no judgment recovered by the Debenture Trustee will operate by way of merger of, or in any way affect, the Security Interest, which is in addition to, and not in substitution for, any other security now or hereafter held by the Debenture Trustee, on its own behalf or on behalf of the Debentureholders, in respect of the Secured Obligations. The representations, warranties and covenants of the Obligor in this Agreement survive the execution and delivery of this Agreement and any advances made hereunder. Notwithstanding any investigation made by or on behalf of the Debenture Trustee, the covenants, representations and warranties continue in full force and effect.
- (5) The Obligor will do all acts and things and execute and deliver, or cause to be executed and delivered, all agreements, documents and instruments that the Debenture Trustee may require and take all further steps relating to the Collateral or any other property or assets of the Obligor that the Debenture Trustee may require for: (a) protecting the Collateral; (b) perfecting, preserving and protecting the Security Interest; and (c) exercising all powers, authorities and discretions conferred upon the Debenture Trustee. Upon the occurrence and during the continuance of an Event of Default, the Obligor will do all acts and things and execute and deliver all documents and instruments that the Debenture Trustee may require for facilitating the sale or other disposition of the Collateral in connection with its realization.
- (6) This Agreement is in addition to, without prejudice to and supplemental to all other security now held or which may hereafter be held by the Debenture Trustee.
- (7) This Agreement shall be binding on the Obligor, its respective successors and assigns, and enures to the benefit of the Debenture Trustee, on its own behalf and on behalf of the Debenture Trustee, and its successors and assigns. In any action brought by an assignee to enforce any such right, the Obligor shall not assert against the assignee any claim or defence which the Obligor has or may have against the Debenture Trustee. The Obligor may not assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Debenture Trustee which may be unreasonably withheld.
- (8) The Obligor acknowledges and agrees that in the event it amalgamates with any other corporation or corporations, it is the intention of the parties that the Security Interest: (a) extends to: (i) all of the property and undertaking that any of the amalgamating corporations then owns; (ii) all of the property and undertaking that the amalgamated corporation thereafter acquires; (iii) all of the property and undertaking in which any of the amalgamating corporations then has any interest; and (iv) all of the property and undertaking in which the amalgamated corporation thereafter acquires any interest; and (b) secures the payment and performance of all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by each of the amalgamating corporations and the amalgamated corporation to the Debenture Trustee in any currency, however or wherever incurred, and whether incurred alone or jointly with another or others and whether as principal, guarantor or surety and whether incurred prior to, at the time of or

subsequent to the amalgamation. The Security Interest attaches to the additional collateral at the time of amalgamation and to any collateral thereafter owned or acquired by the amalgamated corporation when such becomes owned or is acquired. Upon any such amalgamation, the defined term “**Obligor**” means, collectively, each of the amalgamating corporations and the amalgamated corporation, the defined term “**Collateral**” means all of the property and undertaking and interests described in (a) above, and the defined term “**Secured Obligations**” means the obligations described in (b) above.

- (9) If any court of competent jurisdiction determines any provision of this Agreement to be illegal, invalid or unenforceable, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.
- (10) This Agreement may only be amended, supplemented or otherwise modified by written agreement executed by the Debenture Trustee and the Obligor.
- (11) No consent or waiver by the Debenture Trustee in respect of this Agreement is binding unless made in writing and signed by an authorized officer of the Debenture Trustee. Any consent or waiver given under this Agreement is effective only in the specific instance and for the specific purpose for which given. No waiver of any of the provisions of this Agreement constitutes a waiver of any other provision. A failure or delay on the part of the Debenture Trustee in exercising a right under this Agreement does not operate as a waiver of, or impair, any right of the Debenture Trustee however arising. A single or partial exercise of a right on the part of the Debenture Trustee does not preclude any other or further exercise of that right or the exercise of any other right by the Debenture Trustee.
- (12) This Agreement will be governed by, interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

[Signature page follows]

IN WITNESS WHEREOF the Obligor has executed this Agreement.

THE CING-X CORPORATION

By: 

Name: W. Scott Boyes

Title: Director

SCHEDULE "A"
RELEVANT JURISDICTIONS AND LOCATIONS

Jurisdiction of Organization: Ontario

Registered Address: Yonge Norton Centre
5255 Yonge Street, Suite 701
Toronto, Ontario M2X 6P4

Other Locations: 555 Legget Drive, Unit 536
Kanata, Ontario K2K 3B8

SECURITY AGREEMENT

Security Agreement (as amended, modified, supplemented, restated or replaced from time to time, this “**Agreement**”) dated as of June 30, 2020 (the “**Effective Date**”) made by MPX Australia Pty Ltd. (ACN 624 822 608), a corporation existing under the laws of Australia (the “**Obligor**”) to and in favour of AST Trust Company (Canada), as debenture trustee under the Debenture Indenture (as defined herein) (in such capacity, together with its successors and assigns, the “**Debenture Trustee**”).

WHEREAS certain subscribers (the “**Debentureholders**”) have executed and delivered subscription agreements for secured convertible debentures created by and authorized by and issuable under the Debenture Indenture (as defined herein), as issued by MPX International Corporation (“**MPXI**”) on the Effective Date (the “**Secured Debentures**”);

AND WHEREAS the Secured Debentures constitute and make available to MPXI certain loan amounts that mature twenty-four (24) months from the Effective Date and bear interest at a rate of 12% per annum from the Effective Date, payable quarterly in cash in arrears pursuant to the terms and conditions of the Debenture Indenture;

AND WHEREAS the obligations of MPXI pursuant to the Secured Debentures are secured by liens on substantially all of the assets of MPXI pursuant to the Security Documents (as defined herein);

AND WHEREAS as a condition precedent to the issuance of debentures pursuant to Debenture Indenture, the Obligor will execute and deliver a guarantee (the “**Guarantee**”) in favour of the Debenture Trustee, on its own behalf and on behalf of the Debentureholders;

AND WHEREAS it is a condition precedent to the issuance of the Secured Debentures pursuant to the Debenture Indenture that the Obligor execute and deliver this Agreement in favour of the Debenture Trustee, on its own behalf and on behalf of the Debentureholders;

AND WHEREAS MPXI is an affiliate of the Obligor and due to the close business and financial relationships between Obligor and MPXI, the Obligor will derive substantial direct and indirect benefits from such transactions and therefore the Obligor considers it in its best interest to provide this Agreement;

NOW THEREFORE for good and valuable consideration, the receipt of which is hereby acknowledged, the Obligor agrees, for the benefit of the Debenture Trustee, as follows:

Section 1 Defined Terms; Interpretation.

(1) As used in this Agreement, the following terms have the following meanings:

“**Collateral**” has the meaning as “circulating asset” in the PPSA.

“**Collateral**” has the meaning specified in Section 2.

“**Debenture Indenture**” means the debenture indenture entered into as of the Effective Date between MPXI and the Debenture Trustee, on its own behalf and on behalf of the Debentureholders, providing for the issuance of the Secured Debentures;

“**Encumbrance**” means any mortgage, charge, pledge, hypothecation, security interest, assignment by way of security, lien (statutory or otherwise), encumbrance, conditional sale agreement, capital lease, deposit arrangement, title retention agreement, and any other agreement, trust or arrangement that in substance secures payment or performance of an obligation.

“**Event of Default**” has the meaning specified in the Debenture Indenture.

“**Expenses**” has the meaning specified in Section 3(b).

“**Person**” means a natural person, partnership, corporation, joint stock company, trust, unincorporated association, joint venture or other entity or governmental entity, and pronouns have a similarly extended meaning.

“**Pledge Agreement**” means the securities pledge agreement to be entered into as of the Effective Date between MPXI and the Debenture Trustee, on behalf of the Debentureholders, with respect to the pledge of shares of to the Debenture Trustee, on behalf of the Debentureholders.

“**Secured Obligations**” has the meaning specified in Section 3(a).

“**Security Documents**” means this Agreement, the Guarantee, the Pledge Agreement and such further documents, instruments and other documents that may at any time be required to be provided by the Corporation to the Trustee in accordance with the terms of the Debenture Indenture.

“**Security Interest**” has the meaning specified in Section 3.

- (2) Terms defined in the *Personal Property Security Act 2009* (Cth) (the “**PPSA**”) and the *Personal Property Securities Regulations 2010* (Cth) or the *Securities Transfer Act, 2006* (Ontario) (“**STA**”) and used but not otherwise defined in this Agreement have the same meanings. Capitalized terms used in this Agreement but not defined have the meanings given to them in the Debenture Indenture.
- (3) In this Agreement the words “**including**”, “**includes**” and “**include**” mean “**including (or includes or include) without limitation**”. The expressions “**Section**” and other subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement. Words importing the singular number only include the plural and vice versa. The division of this Agreement into Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect its interpretation.
- (4) Any reference to this Agreement or any Security Document refers to this Agreement or such Security Document as the same may have been or may from time to time be amended, modified, extended, renewed, restated, replaced or supplemented and includes all schedules attached to it. Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules and regulations made under it as the same may have been or may from time to time be amended or re-enacted.
- (5) Any reference in this Agreement to an Encumbrance permitted by this Agreement is not intended to subordinate or postpone, and shall not be interpreted as subordinating or postponing, or as an agreement to subordinate or postpone, any Encumbrance created by any of the Security Documents to any Encumbrance permitted hereunder.

Section 2 Grant of Security.

The Obligor grants to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, a security interest in, and assign, mortgage, charge, hypothecate and pledge to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, all of the property and undertaking of the Obligor now owned or hereafter acquired and all of the property and undertaking in which the Obligor now has or hereafter acquires any interest (collectively, the “**Collateral**”) including all of the Obligor’s:

- (a) present and after acquired property;
- (b) inventory including goods held for sale, lease or resale, goods furnished or to be furnished to third parties under contracts of lease, consignment or service, goods which are raw materials or work in process, goods used in or procured for packing and materials used or consumed in the business of the Obligor;
- (c) equipment, machinery, furniture, fixtures, plant, vehicles and other goods of every kind and description and all licences and other rights and all related records, files, charts, plans, drawings, specifications, manuals and documents;
- (d) accounts due or accruing and all related agreements, books, accounts, invoices, letters, documents and papers recording, evidencing or relating to them;
- (e) money, documents of title, chattel paper, financial assets, investment property and instruments;
- (f) intangibles including all security interests, goodwill, choses in action, contracts, contract rights, licenses and other contractual benefits;
- (g) intellectual property;
- (h) all substitutions and replacements of and increases, additions and, where applicable, accessions to the property described in Section 2(a) through Section 2(g) inclusive; and
- (i) all proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in Section 2(a) through Section 2(h) inclusive, including the proceeds of such proceeds.

Section 3 Obligations Secured.

The security interest, assignment, mortgage, charge, hypothecation and pledge granted by this Agreement (collectively, the “**Security Interest**”) secures the payment and performance of:

- (a) all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by the Obligor to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, in any currency, under, in connection with or pursuant to this Agreement and any other Security Document to which the Obligor is a party, and whether incurred by the applicable Obligor alone or jointly with another or others and whether as principal, guarantor or surety and in whatever name or style (collectively, and together with the Expenses, the “**Secured Obligations**”); and
- (b) all expenses, costs and charges incurred by or on behalf of the Debenture Trustee in connection with this Agreement, the Security Interest or the Collateral, including all legal fees, court costs, receiver’s or agent’s remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling, transferring, delivering or obtaining payment for the Collateral, and of taking, defending or participating in any action or proceeding in connection with any of the foregoing matters or otherwise in connection with the Debenture Trustee’s, for its own benefit and on behalf of the Debentureholders, interest in any Collateral, whether or not directly relating to the enforcement of this Agreement or any other Security Document (collectively, the “**Expenses**”).

Section 4 Attachment.

- (1) The Obligor acknowledges that: (a) value has been given; (b) it has rights in its Collateral or the power to transfer rights in such Collateral to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, (other than after-acquired Collateral); (c) it has not agreed to postpone the time of attachment of the Security Interest; and (d) it has received a copy of this Agreement.
- (2) The Obligor will take all action that the Debenture Trustee deems advisable to cause the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, to have control over any investment property that are now or at any time become Collateral, and will: (a) deliver to and deposit with the Debenture Trustee any instruments that are Collateral; (b) cause the transfer of any instruments to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, to be registered wherever such registration may be required or advisable in the opinion of the Debenture Trustee; (c) endorse any instruments to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, or in blank or register them in the name of the Debenture Trustee or its nominee or otherwise as the Debenture Trustee may direct; and (d) deliver to the Debenture Trustee any and all consents or other documents that may be necessary to effect the transfer of any instruments to the Debenture Trustee or any third party. Notwithstanding the foregoing, and for greater certainty, the Security Interest granted hereby is subject to the terms and conditions of the Debenture Indenture and the Pledge Agreement and investment property delivered by the Obligor to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, are being held by the Debenture Trustee in trust, on a pro rata basis, on its behalf and on behalf of the Debentureholders in accordance with the terms and conditions of the Debenture Indenture and the Pledge Agreement.
- (3) The Security Interest does not extend to consumer goods.
- (4) The Security Interest does not extend or apply to the last day of the term of any lease or sublease of real property or any agreement for a lease or sublease of real property, now held or hereafter acquired by the Obligor, but the Obligor will stand possessed of any such last day upon trust to assign and dispose of it as the Debenture Trustee may reasonably direct.
- (5) To the extent that an assignment of amounts payable and other proceeds arising under or in connection with, or the grant of a security interest in any agreement, licence, permit or quota of the Obligor would result in the termination of such agreement, licence, permit or quota (each, a "**Restricted Asset**"), the Security Interest with respect to each Restricted Asset will constitute a trust created in favour of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, pursuant to which the Obligor holds as trustee all proceeds arising under or in connection with the Restricted Asset in trust for the Debenture Trustee, on its behalf and on behalf of the Debentureholders, on the following basis:
 - (a) subject to the Debenture Indenture and the Pledge Agreement, until the Security Interest is enforceable the Obligor is entitled to receive all such proceeds; and
 - (a) whenever the Security Interest is enforceable, (i) all rights of the Obligor to receive such proceeds cease and all such proceeds will be immediately paid over to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, and (ii) the Obligor will take all actions requested by the Debenture Trustee to collect and enforce payment and other rights arising under the Restricted Asset.

- (6) The Obligor will use all commercially reasonable efforts to obtain the consent of each other party to any and all Restricted Assets to the assignment of such Restricted Asset to the Debenture Trustee in accordance with this Agreement. The Obligor will also use all commercially reasonable efforts to ensure that all agreements entered into on and after the date of this Agreement expressly permit assignments of the benefits of such agreements as collateral security to the Debenture Trustee in accordance with the terms of this Agreement.

Section 5 Grant of Licence to Use Intellectual Property.

At such time as the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, is lawfully entitled to exercise its rights and remedies under Section 10 or Section 11, the Obligor grants to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, an irrevocable, nonexclusive licence (exercisable without payment of royalty or other compensation to the Obligor) to use, assign or sublicense any intellectual property in which the Obligor has rights wherever the same may be located, including in such licence access to (i) all media in which any of the licensed items may be recorded or stored, and (ii) all software and computer programs used for compilation or print-out. The license granted under this Section 5 is to enable the Debenture Trustee to exercise its rights and remedies under Section 9 through Section 17, inclusive, and for no other purpose.

Section 6 Care and Custody of Collateral.

- (1) The Debenture Trustee has no obligation to keep Collateral in its possession identifiable.
- (2) Without limiting any other rights or remedies under this Agreement, the Debenture Trustee may, upon the occurrence and during the continuance of an Event of Default, (i) notify any Person obligated on an instrument, chattel paper, security or account to make payments to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, whether or not the Obligor was previously making collections on such instruments, chattel paper or accounts, and (ii) assume control of any proceeds arising from the Collateral.
- (3) The Debenture Trustee has no obligation to collect dividends, distributions or interest payable on, or exercise any option or right in connection with, any Collateral. The Debenture Trustee has no obligation to protect or preserve any Collateral from depreciating in value or becoming worthless and is released from all responsibility for any loss of value.

Section 7 Rights of the Obligor.

- (1) Until the occurrence of an Event of Default which is continuing, the Obligor is entitled to vote the securities that are part of the Collateral and to receive all dividends and distributions on such securities. Until the occurrence of an Event of Default which is continuing, all rights of the Obligor to vote (under any proxy given by the Debenture Trustee (or its nominee), on its behalf and on behalf of the Debentureholders, or otherwise) or to receive distributions or dividends cease and all such rights become vested solely and absolutely in the Debenture Trustee.
- (2) Any distributions or dividends received by the Obligor contrary to Section 7(1) or any other moneys or property received by the Obligor after the Security Interest is enforceable will be received as trustee for the Debenture Trustee, on its behalf and on behalf of the Debentureholders, and shall be immediately paid over to the Debenture Trustee, on its behalf and on behalf of the Debentureholders.
- (3) The Obligor may, in the ordinary course of the Obligor's ordinary business:

- (a) sell, assign, transfer, or otherwise dispose of any Collateral which is a Circulating Asset, on an arm's length basis for full value; or
- (b) withdraw or transfer money from an account with a bank or other financial institution.

Section 8 Expenses.

The Obligor is liable for and will pay on demand by the Debenture Trustee any and all Expenses.

Section 9 Enforcement.

The Security Interest becomes and is enforceable against the Obligor upon the occurrence and during the continuance of an Event of Default.

Section 10 Remedies.

Upon the occurrence and during the continuance of an Event of Default, the Debenture Trustee, on its behalf and on behalf of the Debentureholders, may realize upon the Collateral and enforce the rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, by:

- (a) entry onto any premises where Collateral consisting of tangible personal property may be located;
- (b) entry into possession of the Collateral by any method permitted by law;
- (c) sale, grant of options to purchase, or lease of all or any part of the Collateral;
- (d) holding, storing and keeping idle or operating all or any part of the Collateral;
- (e) exercising and enforcing all rights and remedies of a holder of the Collateral as if the Debenture Trustee, on its behalf and on behalf of the Debentureholders, were the absolute owner thereof (including, if necessary, causing the Collateral to be registered in the name of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, or its nominee if not already done);
- (f) collection of any proceeds arising in respect of the Collateral;
- (g) collection, realization or sale of, or other dealing with, accounts;
- (h) license or sublicense, whether on an exclusive or nonexclusive basis, of any intellectual property for such term and on such conditions and in such manner as the Debenture Trustee in its sole judgment determines (taking into account such provisions as may be necessary to protect and preserve such intellectual property);
- (i) instruction or order to any issuer or securities intermediary pursuant to any control the Debenture Trustee has over the Collateral;
- (j) instruction to any bank to transfer all moneys constituting Collateral held by such bank to an account maintained with or by the Debenture Trustee;

- (k) appointment by instrument in writing of a receiver (which term as used in this Agreement includes a receiver and manager) or agent of all or any part of the Collateral and removal or replacement from time to time of any receiver or agent;
- (l) institution of proceedings in any court of competent jurisdiction for the appointment of a receiver of all or any part of the Collateral;
- (m) institution of proceedings in any court of competent jurisdiction for sale or foreclosure of all or any part of the Collateral;
- (n) filing of proofs of claim and other documents to establish claims to the Collateral in any proceeding relating to the Obligor; and
- (o) any other remedy or proceeding authorized or permitted under the PPSA or otherwise by law or equity.

Section 11 Additional Rights.

In addition to the remedies set forth in Section 10 and elsewhere in this Agreement, the Debenture Trustee may, whenever the Security Interest upon the occurrence and during the continuance of an Event of Default:

- (a) require the Obligor, at the Obligor's expense, to assemble the Collateral at a place or places designated by notice in writing and the Obligor agrees to so assemble the Collateral immediately upon receipt of such notice;
- (b) require the Obligor, by notice in writing, to disclose to the Debenture Trustee the location or locations of the Collateral and the Obligor agrees to promptly make such disclosure when so required;
- (c) repair, process, modify, complete or otherwise deal with the Collateral and prepare for the disposition of the Collateral, whether on the premises of the Obligor or otherwise;
- (d) redeem any prior security interest against any Collateral, procure the transfer of such security interest to itself, or settle and pass the accounts of the prior mortgagee, chargee or encumbrancer (any accounts to be conclusive and binding on the Obligor);
- (e) pay any liability secured by any Encumbrance against any Collateral (the Obligor will immediately on demand reimburse the Debenture Trustee for all such payments);
- (f) carry on all or any part of the business of the Obligor and, to the exclusion of all others including the Obligor, enter upon, occupy and use all or any of the premises, buildings, and other property of or used by the Obligor for such time as the Debenture Trustee sees fit, free of charge, and the Debenture Trustee shall not be liable to the Obligor for any act, omission or negligence in so doing or for any rent, charges, depreciation or damages incurred in connection with or resulting from such action;
- (g) borrow for the purpose of carrying on the business of the Obligor or for the maintenance, preservation or protection of the Collateral and grant a security interest in the Collateral, whether or not in priority to the Security Interest, to secure repayment;

- (h) commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and give good and valid receipts and discharges in respect of the Collateral and compromise or give time for the payment or performance of all or any part of the accounts or any other obligation of any third party to the Obligor; and
- (i) at any public sale, and to the extent permitted by law on any private sale, bid for and purchase any or all of the Collateral offered for sale and upon compliance with the terms of such sale, hold, retain and dispose of such Collateral without any further accountability to the Obligor or any other Person with respect to such holding, retention or disposition, except as required by law. In any such sale to the Debenture Trustee, the Debenture Trustee may, for the purpose of making payment for all or any part of the Collateral so purchased, use any claim for Secured Obligations then due and payable to it as a credit against the purchase price.

Section 12 Exercise of Remedies.

The remedies under Section 10 and Section 11 may be exercised from time to time separately or in combination and are in addition to, and not in substitution for, any other rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, however arising or created, including without limitation as may arise or be created under the Debenture Indenture. The Debenture Trustee is not bound to exercise any right or remedy, and the exercise of rights and remedies is without prejudice to the rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, in respect of the Secured Obligations including the right to claim for any deficiency.

Section 13 Receiver's Powers.

- (1) Any receiver appointed by the Debenture Trustee shall be vested with the rights and remedies which could have been exercised by the Debenture Trustee, on its behalf and on behalf of the Debentureholders, in respect of the Obligor or the Collateral and such other powers and discretions as are granted in the instrument of appointment and any supplemental instruments. The identity of the receiver, its replacement and its remuneration shall be within the sole and unfettered discretion of the Debenture Trustee.
- (2) Any receiver appointed by the Debenture Trustee shall act as agent for the Debenture Trustee for the purposes of taking possession of the Collateral, but otherwise and for all other purposes (except as provided below), as agent for the Obligor. The receiver may sell, lease, or otherwise dispose of Collateral as agent for the Obligor or as agent for the Debenture Trustee as the Debenture Trustee may determine in its discretion. The Obligor agree to ratify and confirm all actions of the receiver acting as agent for the Obligor, and to release and indemnify the receiver in respect of all such actions.
- (3) The Debenture Trustee, in appointing or refraining from appointing any receiver, shall not incur liability to the receiver, the Obligor or otherwise and shall not be responsible for any misconduct or negligence of the receiver.

Section 14 Appointment of Attorney.

The Obligor hereby irrevocably constitute and appoint the Debenture Trustee (and any officer of the Debenture Trustee), on its behalf and on behalf of the Debentureholders, the true and lawful attorney of the Obligor. As the attorney of the Obligor, the Debenture Trustee has the power to exercise for and in the name of the Obligor with full power of substitution, upon the occurrence and during the continuance of an Event of Default, any of the Obligor's right (including the right of disposal), title and interest in and to the Collateral including the execution, endorsement, delivery and transfer of the Collateral to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, its nominees or transferees, and the Debenture Trustee and its nominees or transferees are hereby empowered to exercise all rights and powers and to perform all acts of ownership with respect to the Collateral to the same extent as the Obligor might do. This power of attorney is irrevocable, is coupled with an interest, has been given for valuable consideration (the receipt and adequacy of which is acknowledged) and survives, and does not terminate upon, the bankruptcy, dissolution, winding up or insolvency of the Obligor. This power of attorney extends to and is binding upon the Obligor's successors and permitted assigns.

Section 15 Dealing with the Collateral.

- (1) The Debenture Trustee shall not be obliged to exhaust its recourse against the Obligor or any other Person or against any other security it may hold in respect of the Secured Obligations before realizing upon or otherwise dealing with the Collateral in such manner as the Debenture Trustee may consider desirable.
- (2) The Debenture Trustee may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Obligor and with other Persons, sureties or securities as it may see fit without prejudice to the Secured Obligations, the liability of the Obligor or the rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, in respect of the Collateral.
- (3) Except as otherwise provided by law or this Agreement, the Debenture Trustee shall not be:
 - (a) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral;
 - (b) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or for the purpose of preserving any rights of any Persons in respect of the Collateral;
 - (c) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal with the Collateral; or
 - (d) bound to protect the Collateral from depreciating in value or becoming worthless.

Section 16 Standards of Sale.

Without prejudice to the ability of the Debenture Trustee to dispose of the Collateral in any manner which is commercially reasonable, the Obligor acknowledges that:

- (a) the Collateral may be disposed of in whole or in part;
- (b) the Collateral may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (c) any assignee of such Collateral may be the Debenture Trustee or a customer of the Debenture Trustee;

- (d) any sale conducted by the Debenture Trustee will be at such time and place, on such notice and in accordance with such procedures as the Debenture Trustee, in its sole discretion, may deem advantageous;
- (e) the Collateral may be disposed of in any manner and on any terms necessary to avoid violation of applicable law (including compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that the prospective bidders and purchasers have certain qualifications, and restrict the prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of the Collateral) or in order to obtain any required approval of the disposition (or of the resulting purchase) by any governmental or regulatory authority or official;
- (f) a disposition of Collateral may be on such terms and conditions as to credit or otherwise as the Debenture Trustee, in its sole discretion, may deem advantageous; and
- (g) the Debenture Trustee may establish an upset or reserve bid or price in respect of the Collateral.

Section 17 Dealings by Third Parties.

- (1) No Person dealing with the Debenture Trustee or an agent or receiver shall be required to determine (i) whether the Security Interest has become enforceable, (ii) whether the powers which such Person is purporting to exercise have become exercisable, (iii) whether any money remains due to the Debenture Trustee by the Obligor, (iv) the necessity or expediency of the stipulations and conditions subject to which any sale or lease is made, (v) the propriety or regularity of any sale or other dealing by the Debenture Trustee with the Collateral, or (vi) how any money paid to the Debenture Trustee has been applied.
- (2) Any *bona fide* purchaser of all or any part of the Collateral from the Debenture Trustee or any receiver or agent shall hold the Collateral absolutely, free from any claim or right of whatever kind, including any equity of redemption, of the Obligor, which it specifically waives (to the fullest extent permitted by law) as against any such purchaser together with all rights of redemption, stay or appraisal which the Obligor has or may have under any rule of law or statute now existing or hereafter adopted.

Section 18 Representations, Warranties and Covenants.

The Obligor represents and warrants and covenants and agrees, acknowledging and confirming that the Debenture Trustee, on its behalf and on behalf of the Debentureholders, is relying on such representations, warranties, covenants and agreements, that:

- (1) **Continuous Perfection.** Schedule "A" sets out the Obligor's: (a) place of business or, if more than one, chief executive office; (b) registered office; and (c) jurisdiction of organization. The Obligor will not change the location of its place of business or chief executive office, as the case may be, registered office or jurisdiction of organization without providing at least thirty (30) days prior written notice to the Debenture Trustee. The Collateral, to the extent not delivered to the Debenture Trustee pursuant to Section 4, is kept and will be kept at those locations listed on Schedule "A", and the Obligor will not remove the Collateral from such locations, without providing at least thirty (30) days prior written notice to the Debenture Trustee, provided that Collateral may be moved to another location as long as such other location is in a jurisdiction in which the Debenture Trustee

has a valid and perfected first ranking security interest in the Collateral. The Obligor will not change its name in any manner without providing at least thirty (30) days prior written notice to the Debenture Trustee.

Section 19 PPSA

- (1) If Chapter 4 of the PPSA would otherwise apply to the enforcement of the Security Interest, to the extent the PPSA permits, the Obligor and the Debenture Trustee agree that the following provisions of the PPSA are excluded:
 - (a) the Obligor's right to receive a notice under sections 95, 121(4), and 130 of the PPSA;
 - (b) the Debenture Trustee's obligations under sections 125, 132(3)(d) and 132(4) of the PPSA;
 - (c) sections 142 and 143 of the PPSA;
 - (d) the application of Part 4.3 of the PPSA (other than sections 123(1), 126, 128(1), 129(1), 133, 134(1), 138B and 138C), if Part 4.3 would apply by virtue of section 116(2) of the PPSA; and
 - (e) if the PPSA is amended after the date of this Agreement to permit the Obligor and the Debenture Trustee to agree to not comply with or to exclude other provisions of the PPS Law, the Debenture Trustee may notify the Obligor that any of these provisions is excluded, or that the Debenture Trustee need not comply with any of these provisions, as notified to the Obligor by the Debenture Trustee.
- (2) Where a Debenture Trustee, a Receiver or an Attorney has powers in addition to, or existing separately from, those in Chapter 4 of the PPSA, those powers will continue to apply and are not limited or excluded (or otherwise adversely affected) by the PPSA.
- (3) Notices or documents required or permitted to be given by the Obligor to the Debenture Trustee for the purposes of the PPSA must be given in accordance with the PPSA.
- (4) The Obligor consents to the Debenture Trustee effecting a registration on the Personal Property Securities Register (in any manner the Debenture Trustee considers appropriate, including as a purchase money security interest), or giving any notification, in relation to any security interest granted under or in connection with this Agreement. The Obligor agrees not to make any amendment demand.
- (5) The Obligor waives the right to receive a copy of any Verification Statement after the registration of a Financing Statement or Financing Change Statement in respect of the security interest granted under this Agreement. The Obligor also waives the right to receive any notice under the PPSA in connection with the Security Documents unless the notice is required by the PPSA and cannot be excluded.

Section 20 General.

- (1) This Agreement is subject in its entirety to the terms and conditions of the Debenture Indenture and the Pledge Agreement, as applicable.

- (2) Any notice, direction or other communication to be given under this Agreement shall be in writing and given in accordance with the Debenture Indenture.
- (3) The Security Interest shall be discharged upon, but only upon: (a) full and indefeasible payment and performance of the Secured Obligations; and (b) the Debenture Trustee, on its own behalf and on behalf of the Debentureholders, having no commitments under any Security Document. Upon discharge of the Security Interest and at the request and expense of the Obligor, the Debenture Trustee shall execute and deliver to the Obligor such releases, discharges, financing statements and other documents or instruments as the Obligor may reasonably require and the Debenture Trustee will redeliver to the Obligor, or as the Obligor may otherwise direct the Debenture Trustee, any Collateral in its possession.
- (4) This Agreement does not operate by way of merger of any of the Secured Obligations and no judgment recovered by the Debenture Trustee will operate by way of merger of, or in any way affect, the Security Interest, which is in addition to, and not in substitution for, any other security now or hereafter held by the Debenture Trustee, on its own behalf or on behalf of the Debentureholders, in respect of the Secured Obligations. The representations, warranties and covenants of the Obligor in this Agreement survive the execution and delivery of this Agreement and any advances made hereunder. Notwithstanding any investigation made by or on behalf of the Debenture Trustee, the covenants, representations and warranties continue in full force and effect.
- (5) The Obligor will do all acts and things and execute and deliver, or cause to be executed and delivered, all agreements, documents and instruments that the Debenture Trustee may require and take all further steps relating to the Collateral or any other property or assets of the Obligor that the Debenture Trustee may require for: (a) protecting the Collateral; (b) perfecting, preserving and protecting the Security Interest; and (c) exercising all powers, authorities and discretions conferred upon the Debenture Trustee. Upon the occurrence and during the continuance of an Event of Default, the Obligor will do all acts and things and execute and deliver all documents and instruments that the Debenture Trustee may require for facilitating the sale or other disposition of the Collateral in connection with its realization.
- (6) This Agreement is in addition to, without prejudice to and supplemental to all other security now held or which may hereafter be held by the Debenture Trustee.
- (7) This Agreement shall be binding on the Obligor, its respective successors and assigns, and enures to the benefit of the Debenture Trustee, on its own behalf and on behalf of the Debenture Trustee, and its successors and assigns. In any action brought by an assignee to enforce any such right, the Obligor shall not assert against the assignee any claim or defence which the Obligor has or may have against the Debenture Trustee. The Obligor may not assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Debenture Trustee which may be unreasonably withheld.
- (8) The Obligor acknowledges and agrees that in the event it amalgamates with any other corporation or corporations, it is the intention of the parties that the Security Interest: (a) extends to: (i) all of the property and undertaking that any of the amalgamating corporations then owns; (ii) all of the property and undertaking that the amalgamated corporation thereafter acquires; (iii) all of the property and undertaking in which any of the amalgamating corporations then has any interest; and (iv) all of the property and undertaking in which the amalgamated corporation thereafter acquires any interest; and (b) secures the payment and performance of all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by each of the

amalgamating corporations and the amalgamated corporation to the Debenture Trustee in any currency, however or wherever incurred, and whether incurred alone or jointly with another or others and whether as principal, guarantor or surety and whether incurred prior to, at the time of or subsequent to the amalgamation. The Security Interest attaches to the additional collateral at the time of amalgamation and to any collateral thereafter owned or acquired by the amalgamated corporation when such becomes owned or is acquired. Upon any such amalgamation, the defined term “**Obligor**” means, collectively, each of the amalgamating corporations and the amalgamated corporation, the defined term “**Collateral**” means all of the property and undertaking and interests described in (a) above, and the defined term “**Secured Obligations**” means the obligations described in (b) above.

- (9) If any court of competent jurisdiction determines any provision of this Agreement to be illegal, invalid or unenforceable, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.
- (10) This Agreement may only be amended, supplemented or otherwise modified by written agreement executed by the Debenture Trustee and the Obligor.
- (11) No consent or waiver by the Debenture Trustee in respect of this Agreement is binding unless made in writing and signed by an authorized officer of the Debenture Trustee. Any consent or waiver given under this Agreement is effective only in the specific instance and for the specific purpose for which given. No waiver of any of the provisions of this Agreement constitutes a waiver of any other provision. A failure or delay on the part of the Debenture Trustee in exercising a right under this Agreement does not operate as a waiver of, or impair, any right of the Debenture Trustee however arising. A single or partial exercise of a right on the part of the Debenture Trustee does not preclude any other or further exercise of that right or the exercise of any other right by the Debenture Trustee.
- (12) This Agreement is governed by the laws of New South Wales, Australia. To the extent permitted by law, so are all related matters, including any non-contractual matters, and any security interest (as defined by the PPSA) granted under this Agreement. Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia. The Obligor irrevocably waives any objection to the venue of any legal process on the basis that the process has been brought in an inconvenient forum. The Obligor irrevocably waives any immunity in respect of its obligations under this Agreement that it may acquire from the jurisdiction of any court or any legal process for any reason.

[Signature page follows]

IN WITNESS WHEREOF the Obligor has executed this Agreement.

MPX AUSTRALIA PTY LTD

By: 
Name: W. Scott Boyes
Title: Director

SCHEDULE "A"
RELEVANT JURISDICTIONS AND LOCATIONS

Jurisdiction of Organization: Victoria, Australia

Registered Address: Tower 2, Level 24,
101 Grafton Street,
Bondi Junction, New South Wales,
2022
Australia

SECURITY AGREEMENT

Security Agreement (as amended, modified, supplemented, restated or replaced from time to time, this “**Agreement**”) dated as of June 30, 2020 (the “**Effective Date**”) made by MPXI UK Corporation, a corporation existing under the laws of the United Kingdom (the “**Obligor**”) to and in favour of AST Trust Company (Canada), as debenture trustee under the Debenture Indenture (as defined herein) (in such capacity, together with its successors and assigns, the “**Debenture Trustee**”).

WHEREAS certain subscribers (the “**Debentureholders**”) have executed and delivered subscription agreements for secured convertible debentures created by and authorized by and issuable under the Debenture Indenture (as defined herein), as issued by MPX International Corporation (“**MPXI**”) on the Effective Date (the “**Secured Debentures**”);

AND WHEREAS the Secured Debentures constitute and make available to MPXI certain loan amounts that mature twenty-four (24) months from the Effective Date and bear interest at a rate of 12% per annum from the Effective Date, payable quarterly in cash in arrears pursuant to the terms and conditions of the Debenture Indenture;

AND WHEREAS the obligations of MPXI pursuant to the Secured Debentures are secured by liens on substantially all of the assets of MPXI pursuant to the Security Documents (as defined herein);

AND WHEREAS as a condition precedent to the issuance of debentures pursuant to Debenture Indenture, the Obligor will execute and deliver a guarantee (the “**Guarantee**”) in favour of the Debenture Trustee, on its own behalf and on behalf of the Debentureholders;

AND WHEREAS it is a condition precedent to the issuance of the Secured Debentures pursuant to the Debenture Indenture that the Obligor execute and deliver this Agreement in favour of the Debenture Trustee, on its own behalf and on behalf of the Debentureholders;

AND WHEREAS MPXI is an affiliate of the Obligor and due to the close business and financial relationships between Obligor and MPXI, the Obligor will derive substantial direct and indirect benefits from such transactions and therefore the Obligor considers it in its best interest to provide this Agreement;

NOW THEREFORE for good and valuable consideration, the receipt of which is hereby acknowledged, the Obligor agrees, for the benefit of the Debenture Trustee, as follows:

Section 1 Defined Terms; Interpretation.

(1) As used in this Agreement, the following terms have the following meanings:

“**Collateral**” has the meaning specified in Section 2.

“**Debenture Indenture**” means the debenture indenture entered into as of the Effective Date between MPXI and the Debenture Trustee, on its own behalf and on behalf of the Debentureholders, providing for the issuance of the Secured Debentures;

“**Encumbrance**” means any mortgage, charge, pledge, hypothecation, security interest, assignment by way of security, lien (statutory or otherwise), encumbrance, conditional sale agreement, capital lease, deposit arrangement, title retention agreement, and any other agreement, trust or arrangement that in substance secures payment or performance of an obligation.

“**Event of Default**” has the meaning specified in the Debenture Indenture.

“**Expenses**” has the meaning specified in Section 3(b).

“**Person**” means a natural person, partnership, corporation, joint stock company, trust, unincorporated association, joint venture or other entity or governmental entity, and pronouns have a similarly extended meaning.

“**Pledge Agreement**” means the securities pledge agreement to be entered into as of the Effective Date between MPXI and the Debenture Trustee, on behalf of the Debentureholders, with respect to the pledge of shares of to the Debenture Trustee, on behalf of the Debentureholders.

“**Secured Obligations**” has the meaning specified in Section 3(a).

“**Security Documents**” means this Agreement, the Guarantee, the Pledge Agreement and such further documents, instruments and other documents that may at any time be required to be provided by the Corporation to the Trustee in accordance with the terms of the Debenture Indenture.

“**Security Interest**” has the meaning specified in Section 3.

- (2) Terms defined in the *Personal Property Security Act* (Ontario) (as amended from time to time, the “**PPSA**”) or the *Securities Transfer Act, 2006* (Ontario) (“**STA**”) and used but not otherwise defined in this Agreement have the same meanings. Capitalized terms used in this Agreement but not defined have the meanings given to them in the Debenture Indenture.
- (3) In this Agreement the words “**including**”, “**includes**” and “**include**” mean “**including (or includes or include) without limitation**”. The expressions “**Section**” and other subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement. Words importing the singular number only include the plural and vice versa. The division of this Agreement into Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect its interpretation.
- (4) Any reference to this Agreement or any Security Document refers to this Agreement or such Security Document as the same may have been or may from time to time be amended, modified, extended, renewed, restated, replaced or supplemented and includes all schedules attached to it. Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules and regulations made under it as the same may have been or may from time to time be amended or re-enacted.
- (5) Any reference in this Agreement to an Encumbrance permitted by this Agreement is not intended to subordinate or postpone, and shall not be interpreted as subordinating or postponing, or as an agreement to subordinate or postpone, any Encumbrance created by any of the Security Documents to any Encumbrance permitted hereunder.

Section 2 Grant of Security.

The Obligor grants to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, a security interest in, and assign, mortgage, charge, hypothecate and pledge to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, all of the property and undertaking of the Obligor now owned or hereafter acquired and all of the property and undertaking in which the Obligor now has or hereafter acquires any interest (collectively, the “**Collateral**”) including all of the Obligor’s:

- (a) present and after acquired property;

- (b) inventory including goods held for sale, lease or resale, goods furnished or to be furnished to third parties under contracts of lease, consignment or service, goods which are raw materials or work in process, goods used in or procured for packing and materials used or consumed in the business of the Obligor;
- (c) equipment, machinery, furniture, fixtures, plant, vehicles and other goods of every kind and description and all licences and other rights and all related records, files, charts, plans, drawings, specifications, manuals and documents;
- (d) accounts due or accruing and all related agreements, books, accounts, invoices, letters, documents and papers recording, evidencing or relating to them;
- (e) money, documents of title, chattel paper, financial assets, investment property and instruments;
- (f) intangibles including all security interests, goodwill, choses in action, contracts, contract rights, licenses and other contractual benefits;
- (g) intellectual property;
- (h) all substitutions and replacements of and increases, additions and, where applicable, accessions to the property described in Section 2(a) through Section 2(g) inclusive; and
- (i) all proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in Section 2(a) through Section 2(h) inclusive, including the proceeds of such proceeds.

Section 3 Obligations Secured.

The security interest, assignment, mortgage, charge, hypothecation and pledge granted by this Agreement (collectively, the “**Security Interest**”) secures the payment and performance of:

- (a) all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by the Obligor to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, in any currency, under, in connection with or pursuant to this Agreement and any other Security Document to which the Obligor is a party, and whether incurred by the applicable Obligor alone or jointly with another or others and whether as principal, guarantor or surety and in whatever name or style (collectively, and together with the Expenses, the “**Secured Obligations**”); and
- (b) all expenses, costs and charges incurred by or on behalf of the Debenture Trustee in connection with this Agreement, the Security Interest or the Collateral, including all legal fees, court costs, receiver’s or agent’s remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling, transferring, delivering or obtaining payment for the Collateral, and of taking, defending or participating in any action or proceeding in connection with any of the foregoing matters or otherwise in connection with the Debenture Trustee’s, for its own benefit and on behalf of the Debentureholders, interest in any Collateral, whether or not directly relating to the enforcement of this Agreement or any other Security Document (collectively, the “**Expenses**”).

Section 4 Attachment.

- (1) The Obligor acknowledges that: (a) value has been given; (b) it has rights in its Collateral or the power to transfer rights in such Collateral to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, (other than after-acquired Collateral); (c) it has not agreed to postpone the time of attachment of the Security Interest; and (d) it has received a copy of this Agreement.
- (2) The Obligor will take all action that the Debenture Trustee deems advisable to cause the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, to have control over any investment property that are now or at any time become Collateral, and will: (a) deliver to and deposit with the Debenture Trustee any instruments that are Collateral; (b) cause the transfer of any instruments to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, to be registered wherever such registration may be required or advisable in the opinion of the Debenture Trustee; (c) endorse any instruments to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, or in blank or register them in the name of the Debenture Trustee or its nominee or otherwise as the Debenture Trustee may direct; and (d) deliver to the Debenture Trustee any and all consents or other documents that may be necessary to effect the transfer of any instruments to the Debenture Trustee or any third party. Notwithstanding the foregoing, and for greater certainty, the Security Interest granted hereby is subject to the terms and conditions of the Debenture Indenture and the Pledge Agreement and investment property delivered by the Obligor to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, are being held by the Debenture Trustee in trust, on a pro rata basis, on its behalf and on behalf of the Debentureholders in accordance with the terms and conditions of the Debenture Indenture and the Pledge Agreement.
- (3) The Security Interest does not extend to consumer goods.
- (4) The Security Interest does not extend or apply to the last day of the term of any lease or sublease of real property or any agreement for a lease or sublease of real property, now held or hereafter acquired by the Obligor, but the Obligor will stand possessed of any such last day upon trust to assign and dispose of it as the Debenture Trustee may reasonably direct.
- (5) To the extent that an assignment of amounts payable and other proceeds arising under or in connection with, or the grant of a security interest in any agreement, licence, permit or quota of the Obligor would result in the termination of such agreement, licence, permit or quota (each, a "**Restricted Asset**"), the Security Interest with respect to each Restricted Asset will constitute a trust created in favour of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, pursuant to which the Obligor holds as trustee all proceeds arising under or in connection with the Restricted Asset in trust for the Debenture Trustee, on its behalf and on behalf of the Debentureholders, on the following basis:
 - (a) subject to the Debenture Indenture and the Pledge Agreement, until the Security Interest is enforceable the Obligor is entitled to receive all such proceeds; and
 - (a) whenever the Security Interest is enforceable, (i) all rights of the Obligor to receive such proceeds cease and all such proceeds will be immediately paid over to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, and (ii) the Obligor will take all actions requested by the Debenture Trustee to collect and enforce payment and other rights arising under the Restricted Asset.

- (6) The Obligor will use all commercially reasonable efforts to obtain the consent of each other party to any and all Restricted Assets to the assignment of such Restricted Asset to the Debenture Trustee in accordance with this Agreement. The Obligor will also use all commercially reasonable efforts to ensure that all agreements entered into on and after the date of this Agreement expressly permit assignments of the benefits of such agreements as collateral security to the Debenture Trustee in accordance with the terms of this Agreement.

Section 5 Grant of Licence to Use Intellectual Property.

At such time as the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, is lawfully entitled to exercise its rights and remedies under Section 10 or Section 11, the Obligor grants to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, an irrevocable, nonexclusive licence (exercisable without payment of royalty or other compensation to the Obligor) to use, assign or sublicense any intellectual property in which the Obligor has rights wherever the same may be located, including in such licence access to (i) all media in which any of the licensed items may be recorded or stored, and (ii) all software and computer programs used for compilation or print-out. The license granted under this Section 5 is to enable the Debenture Trustee to exercise its rights and remedies under Section 9 through Section 17, inclusive, and for no other purpose.

Section 6 Care and Custody of Collateral.

- (1) The Debenture Trustee has no obligation to keep Collateral in its possession identifiable.
- (2) Without limiting any other rights or remedies under this Agreement, the Debenture Trustee may, upon the occurrence and during the continuance of an Event of Default, (i) notify any Person obligated on an instrument, chattel paper, security or account to make payments to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, whether or not the Obligor was previously making collections on such instruments, chattel paper or accounts, and (ii) assume control of any proceeds arising from the Collateral.
- (3) The Debenture Trustee has no obligation to collect dividends, distributions or interest payable on, or exercise any option or right in connection with, any Collateral. The Debenture Trustee has no obligation to protect or preserve any Collateral from depreciating in value or becoming worthless and is released from all responsibility for any loss of value.

Section 7 Rights of the Obligor.

- (1) Until the occurrence of an Event of Default which is continuing, the Obligor is entitled to vote the securities that are part of the Collateral and to receive all dividends and distributions on such securities. Until the occurrence of an Event of Default which is continuing, all rights of the Obligor to vote (under any proxy given by the Debenture Trustee (or its nominee), on its behalf and on behalf of the Debentureholders, or otherwise) or to receive distributions or dividends cease and all such rights become vested solely and absolutely in the Debenture Trustee.
- (2) Any distributions or dividends received by the Obligor contrary to Section 7(1) or any other moneys or property received by the Obligor after the Security Interest is enforceable will be received as trustee for the Debenture Trustee, on its behalf and on behalf of the Debentureholders, and shall be immediately paid over to the Debenture Trustee, on its behalf and on behalf of the Debentureholders.

Section 8 Expenses.

The Obligor is liable for and will pay on demand by the Debenture Trustee any and all Expenses.

Section 9 Enforcement.

The Security Interest becomes and is enforceable against the Obligor upon the occurrence and during the continuance of an Event of Default.

Section 10 Remedies.

Upon the occurrence and during the continuance of an Event of Default, the Debenture Trustee, on its behalf and on behalf of the Debentureholders, may realize upon the Collateral and enforce the rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, by:

- (a) entry onto any premises where Collateral consisting of tangible personal property may be located;
- (b) entry into possession of the Collateral by any method permitted by law;
- (c) sale, grant of options to purchase, or lease of all or any part of the Collateral;
- (d) holding, storing and keeping idle or operating all or any part of the Collateral;
- (e) exercising and enforcing all rights and remedies of a holder of the Collateral as if the Debenture Trustee, on its behalf and on behalf of the Debentureholders, were the absolute owner thereof (including, if necessary, causing the Collateral to be registered in the name of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, or its nominee if not already done);
- (f) collection of any proceeds arising in respect of the Collateral;
- (g) collection, realization or sale of, or other dealing with, accounts;
- (h) license or sublicense, whether on an exclusive or nonexclusive basis, of any intellectual property for such term and on such conditions and in such manner as the Debenture Trustee in its sole judgment determines (taking into account such provisions as may be necessary to protect and preserve such intellectual property);
- (i) instruction or order to any issuer or securities intermediary pursuant to any control the Debenture Trustee has over the Collateral;
- (j) instruction to any bank to transfer all moneys constituting Collateral held by such bank to an account maintained with or by the Debenture Trustee;
- (k) appointment by instrument in writing of a receiver (which term as used in this Agreement includes a receiver and manager) or agent of all or any part of the Collateral and removal or replacement from time to time of any receiver or agent;
- (l) institution of proceedings in any court of competent jurisdiction for the appointment of a receiver of all or any part of the Collateral;

- (m) institution of proceedings in any court of competent jurisdiction for sale or foreclosure of all or any part of the Collateral;
- (n) filing of proofs of claim and other documents to establish claims to the Collateral in any proceeding relating to the Obligor; and
- (o) any other remedy or proceeding authorized or permitted under the PPSA or otherwise by law or equity.

Section 11 Additional Rights.

In addition to the remedies set forth in Section 10 and elsewhere in this Agreement, the Debenture Trustee may, whenever the Security Interest upon the occurrence and during the continuance of an Event of Default:

- (a) require the Obligor, at the Obligor's expense, to assemble the Collateral at a place or places designated by notice in writing and the Obligor agrees to so assemble the Collateral immediately upon receipt of such notice;
- (b) require the Obligor, by notice in writing, to disclose to the Debenture Trustee the location or locations of the Collateral and the Obligor agrees to promptly make such disclosure when so required;
- (c) repair, process, modify, complete or otherwise deal with the Collateral and prepare for the disposition of the Collateral, whether on the premises of the Obligor or otherwise;
- (d) redeem any prior security interest against any Collateral, procure the transfer of such security interest to itself, or settle and pass the accounts of the prior mortgagee, chargee or encumbrancer (any accounts to be conclusive and binding on the Obligor);
- (e) pay any liability secured by any Encumbrance against any Collateral (the Obligor will immediately on demand reimburse the Debenture Trustee for all such payments);
- (f) carry on all or any part of the business of the Obligor and, to the exclusion of all others including the Obligor, enter upon, occupy and use all or any of the premises, buildings, and other property of or used by the Obligor for such time as the Debenture Trustee sees fit, free of charge, and the Debenture Trustee shall not be liable to the Obligor for any act, omission or negligence in so doing or for any rent, charges, depreciation or damages incurred in connection with or resulting from such action;
- (g) borrow for the purpose of carrying on the business of the Obligor or for the maintenance, preservation or protection of the Collateral and grant a security interest in the Collateral, whether or not in priority to the Security Interest, to secure repayment;
- (h) commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and give good and valid receipts and discharges in respect of the Collateral and compromise or give time for the payment or performance of all or any part of the accounts or any other obligation of any third party to the Obligor; and

- (i) at any public sale, and to the extent permitted by law on any private sale, bid for and purchase any or all of the Collateral offered for sale and upon compliance with the terms of such sale, hold, retain and dispose of such Collateral without any further accountability to the Obligor or any other Person with respect to such holding, retention or disposition, except as required by law. In any such sale to the Debenture Trustee, the Debenture Trustee may, for the purpose of making payment for all or any part of the Collateral so purchased, use any claim for Secured Obligations then due and payable to it as a credit against the purchase price.

Section 12 Exercise of Remedies.

The remedies under Section 10 and Section 11 may be exercised from time to time separately or in combination and are in addition to, and not in substitution for, any other rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, however arising or created, including without limitation as may arise or be created under the Debenture Indenture. The Debenture Trustee is not bound to exercise any right or remedy, and the exercise of rights and remedies is without prejudice to the rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, in respect of the Secured Obligations including the right to claim for any deficiency.

Section 13 Receiver's Powers.

- (1) Any receiver appointed by the Debenture Trustee shall be vested with the rights and remedies which could have been exercised by the Debenture Trustee, on its behalf and on behalf of the Debentureholders, in respect of the Obligor or the Collateral and such other powers and discretions as are granted in the instrument of appointment and any supplemental instruments. The identity of the receiver, its replacement and its remuneration shall be within the sole and unfettered discretion of the Debenture Trustee.
- (2) Any receiver appointed by the Debenture Trustee shall act as agent for the Debenture Trustee for the purposes of taking possession of the Collateral, but otherwise and for all other purposes (except as provided below), as agent for the Obligor. The receiver may sell, lease, or otherwise dispose of Collateral as agent for the Obligor or as agent for the Debenture Trustee as the Debenture Trustee may determine in its discretion. The Obligor agree to ratify and confirm all actions of the receiver acting as agent for the Obligor, and to release and indemnify the receiver in respect of all such actions.
- (3) The Debenture Trustee, in appointing or refraining from appointing any receiver, shall not incur liability to the receiver, the Obligor or otherwise and shall not be responsible for any misconduct or negligence of the receiver.

Section 14 Appointment of Attorney.

The Obligor hereby irrevocably constitute and appoint the Debenture Trustee (and any officer of the Debenture Trustee), on its behalf and on behalf of the Debentureholders, the true and lawful attorney of the Obligor. As the attorney of the Obligor, the Debenture Trustee has the power to exercise for and in the name of the Obligor with full power of substitution, upon the occurrence and during the continuance of an Event of Default, any of the Obligor's right (including the right of disposal), title and interest in and to the Collateral including the execution, endorsement, delivery and transfer of the Collateral to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, its nominees or transferees, and the Debenture Trustee and its nominees or transferees are hereby empowered to exercise all rights and powers and to perform all acts of ownership with respect to the Collateral to the same extent as the Obligor might do. This

power of attorney is irrevocable, is coupled with an interest, has been given for valuable consideration (the receipt and adequacy of which is acknowledged) and survives, and does not terminate upon, the bankruptcy, dissolution, winding up or insolvency of the Obligor. This power of attorney extends to and is binding upon the Obligor's successors and permitted assigns.

Section 15 Dealing with the Collateral.

- (1) The Debenture Trustee shall not be obliged to exhaust its recourse against the Obligor or any other Person or against any other security it may hold in respect of the Secured Obligations before realizing upon or otherwise dealing with the Collateral in such manner as the Debenture Trustee may consider desirable.
- (2) The Debenture Trustee may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Obligor and with other Persons, sureties or securities as it may see fit without prejudice to the Secured Obligations, the liability of the Obligor or the rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, in respect of the Collateral.
- (3) Except as otherwise provided by law or this Agreement, the Debenture Trustee shall not be:
(a) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral; (b) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or for the purpose of preserving any rights of any Persons in respect of the Collateral; (c) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal with the Collateral; or (d) bound to protect the Collateral from depreciating in value or becoming worthless.

Section 16 Standards of Sale.

Without prejudice to the ability of the Debenture Trustee to dispose of the Collateral in any manner which is commercially reasonable, the Obligor acknowledges that:

- (a) the Collateral may be disposed of in whole or in part;
- (b) the Collateral may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (c) any assignee of such Collateral may be the Debenture Trustee or a customer of the Debenture Trustee;
- (d) any sale conducted by the Debenture Trustee will be at such time and place, on such notice and in accordance with such procedures as the Debenture Trustee, in its sole discretion, may deem advantageous;
- (e) the Collateral may be disposed of in any manner and on any terms necessary to avoid violation of applicable law (including compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that the prospective bidders and purchasers have certain qualifications, and restrict the prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of the Collateral) or in order to obtain any required approval of the disposition (or of the resulting purchase) by any governmental or regulatory authority or official;

- (f) a disposition of Collateral may be on such terms and conditions as to credit or otherwise as the Debenture Trustee, in its sole discretion, may deem advantageous; and
- (g) the Debenture Trustee may establish an upset or reserve bid or price in respect of the Collateral.

Section 17 Dealings by Third Parties.

- (1) No Person dealing with the Debenture Trustee or an agent or receiver shall be required to determine (i) whether the Security Interest has become enforceable, (ii) whether the powers which such Person is purporting to exercise have become exercisable, (iii) whether any money remains due to the Debenture Trustee by the Obligor, (iv) the necessity or expediency of the stipulations and conditions subject to which any sale or lease is made, (v) the propriety or regularity of any sale or other dealing by the Debenture Trustee with the Collateral, or (vi) how any money paid to the Debenture Trustee has been applied.
- (2) Any *bona fide* purchaser of all or any part of the Collateral from the Debenture Trustee or any receiver or agent shall hold the Collateral absolutely, free from any claim or right of whatever kind, including any equity of redemption, of the Obligor, which it specifically waives (to the fullest extent permitted by law) as against any such purchaser together with all rights of redemption, stay or appraisal which the Obligor has or may have under any rule of law or statute now existing or hereafter adopted.

Section 18 Representations, Warranties and Covenants.

The Obligor represents and warrants and covenants and agrees, acknowledging and confirming that the Debenture Trustee, on its behalf and on behalf of the Debentureholders, is relying on such representations, warranties, covenants and agreements, that:

- (1) **Continuous Perfection.** Schedule “A” sets out the Obligor’s: (a) place of business or, if more than one, chief executive office: (b) registered office; and (c) jurisdiction of organization. The Obligor will not change the location of its place of business or chief executive office, as the case may be, registered office or jurisdiction of organization without providing at least thirty (30) days prior written notice to the Debenture Trustee. The Collateral, to the extent not delivered to the Debenture Trustee pursuant to Section 4, is kept and will be kept at those locations listed on Schedule “A”, and the Obligor will not remove the Collateral from such locations, without providing at least thirty (30) days prior written notice to the Debenture Trustee, provided that Collateral may be moved to another location as long as such other location is in a jurisdiction in which the Debenture Trustee has a valid and perfected first ranking security interest in the Collateral. The Obligor will not change its name in any manner without providing at least thirty (30) days prior written notice to the Debenture Trustee.

Section 19 General.

- (1) This Agreement is subject in its entirety to the terms and conditions of the Debenture Indenture and the Pledge Agreement, as applicable.
- (2) Any notice, direction or other communication to be given under this Agreement shall be in writing and given in accordance with the Debenture Indenture.

- (3) The Security Interest shall be discharged upon, but only upon: (a) full and indefeasible payment and performance of the Secured Obligations; and (b) the Debenture Trustee, on its own behalf and on behalf of the Debentureholders, having no commitments under any Security Document. Upon discharge of the Security Interest and at the request and expense of the Obligor, the Debenture Trustee shall execute and deliver to the Obligor such releases, discharges, financing statements and other documents or instruments as the Obligor may reasonably require and the Debenture Trustee will redeliver to the Obligor, or as the Obligor may otherwise direct the Debenture Trustee, any Collateral in its possession.
- (4) This Agreement does not operate by way of merger of any of the Secured Obligations and no judgment recovered by the Debenture Trustee will operate by way of merger of, or in any way affect, the Security Interest, which is in addition to, and not in substitution for, any other security now or hereafter held by the Debenture Trustee, on its own behalf or on behalf of the Debentureholders, in respect of the Secured Obligations. The representations, warranties and covenants of the Obligor in this Agreement survive the execution and delivery of this Agreement and any advances made hereunder. Notwithstanding any investigation made by or on behalf of the Debenture Trustee, the covenants, representations and warranties continue in full force and effect.
- (5) The Obligor will do all acts and things and execute and deliver, or cause to be executed and delivered, all agreements, documents and instruments that the Debenture Trustee may require and take all further steps relating to the Collateral or any other property or assets of the Obligor that the Debenture Trustee may require for: (a) protecting the Collateral; (b) perfecting, preserving and protecting the Security Interest; and (c) exercising all powers, authorities and discretions conferred upon the Debenture Trustee. Upon the occurrence and during the continuance of an Event of Default, the Obligor will do all acts and things and execute and deliver all documents and instruments that the Debenture Trustee may require for facilitating the sale or other disposition of the Collateral in connection with its realization.
- (6) This Agreement is in addition to, without prejudice to and supplemental to all other security now held or which may hereafter be held by the Debenture Trustee.
- (7) This Agreement shall be binding on the Obligor, its respective successors and assigns, and enures to the benefit of the Debenture Trustee, on its own behalf and on behalf of the Debenture Trustee, and its successors and assigns. In any action brought by an assignee to enforce any such right, the Obligor shall not assert against the assignee any claim or defence which the Obligor has or may have against the Debenture Trustee. The Obligor may not assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Debenture Trustee which may be unreasonably withheld.
- (8) The Obligor acknowledges and agrees that in the event it amalgamates with any other corporation or corporations, it is the intention of the parties that the Security Interest: (a) extends to: (i) all of the property and undertaking that any of the amalgamating corporations then owns; (ii) all of the property and undertaking that the amalgamated corporation thereafter acquires; (iii) all of the property and undertaking in which any of the amalgamating corporations then has any interest; and (iv) all of the property and undertaking in which the amalgamated corporation thereafter acquires any interest; and (b) secures the payment and performance of all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by each of the amalgamating corporations and the amalgamated corporation to the Debenture Trustee in any currency, however or wherever incurred, and whether incurred alone or jointly with another or others and whether as principal, guarantor or surety and whether incurred prior to, at the time of or

subsequent to the amalgamation. The Security Interest attaches to the additional collateral at the time of amalgamation and to any collateral thereafter owned or acquired by the amalgamated corporation when such becomes owned or is acquired. Upon any such amalgamation, the defined term “**Obligor**” means, collectively, each of the amalgamating corporations and the amalgamated corporation, the defined term “**Collateral**” means all of the property and undertaking and interests described in (a) above, and the defined term “**Secured Obligations**” means the obligations described in (b) above.

- (9) If any court of competent jurisdiction determines any provision of this Agreement to be illegal, invalid or unenforceable, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.
- (10) This Agreement may only be amended, supplemented or otherwise modified by written agreement executed by the Debenture Trustee and the Obligor.
- (11) No consent or waiver by the Debenture Trustee in respect of this Agreement is binding unless made in writing and signed by an authorized officer of the Debenture Trustee. Any consent or waiver given under this Agreement is effective only in the specific instance and for the specific purpose for which given. No waiver of any of the provisions of this Agreement constitutes a waiver of any other provision. A failure or delay on the part of the Debenture Trustee in exercising a right under this Agreement does not operate as a waiver of, or impair, any right of the Debenture Trustee however arising. A single or partial exercise of a right on the part of the Debenture Trustee does not preclude any other or further exercise of that right or the exercise of any other right by the Debenture Trustee.
- (12) This Agreement will be governed by, interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

[Signature page follows]

IN WITNESS WHEREOF the Obligor has executed this Agreement.

MPXI UK CORPORATION

By: _____



Name: W. Scott Boyes

Title: Director

SCHEDULE "A"
RELEVANT JURISDICTIONS AND LOCATIONS

Jurisdiction of Organization: United Kingdom

Principal Location: Yonge Norton Centre
5255 Yonge Street, Suite 701
Toronto, Ontario M2X 6P4

SECURITY AGREEMENT

Security Agreement (as amended, modified, supplemented, restated or replaced from time to time, this “**Agreement**”) dated as of June 30, 2020 (the “**Effective Date**”) made by MPXI Malta Holding Limited, a corporation existing under the laws of Malta (the “**Obligor**”) to and in favour of AST Trust Company (Canada), as debenture trustee under the Debenture Indenture (as defined herein) (in such capacity, together with its successors and assigns, the “**Debenture Trustee**”).

WHEREAS certain subscribers (the “**Debentureholders**”) have executed and delivered subscription agreements for secured convertible debentures created by and authorized by and issuable under the Debenture Indenture (as defined herein), as issued by MPX International Corporation (“**MPXI**”) on the Effective Date (the “**Secured Debentures**”);

AND WHEREAS the Secured Debentures constitute and make available to MPXI certain interest bearing loan amounts that mature twenty-four (24) months from the Effective Date pursuant to the terms and conditions of the Debenture Indenture;

AND WHEREAS the obligations of MPXI pursuant to the Secured Debentures are secured by liens on substantially all of the assets of MPXI pursuant to the Security Documents (as defined herein);

AND WHEREAS as a condition precedent to the issuance of debentures pursuant to Debenture Indenture, the Obligor will execute and deliver a guarantee (the “**Guarantee**”) in favour of the Debenture Trustee, on its own behalf and on behalf of the Debentureholders;

AND WHEREAS it is a condition precedent to the issuance of the Secured Debentures pursuant to the Debenture Indenture that the Obligor execute and deliver this Agreement in favour of the Debenture Trustee, on its own behalf and on behalf of the Debentureholders;

AND WHEREAS MPXI is the mother company of the Obligor and due to the close business and financial relationships between Obligor and MPXI, the Obligor will derive substantial direct and indirect benefits from such transactions and therefore the Obligor considers it in its best interest to provide this Agreement;

NOW THEREFORE for good and valuable consideration, the receipt of which is hereby acknowledged, the Obligor agrees, for the benefit of the Debenture Trustee, as follows:

Section 1 Defined Terms; Interpretation.

(1) As used in this Agreement, the following terms have the following meanings:

“**Collateral**” has the meaning specified in Section 2.

“**Debenture Indenture**” means the debenture indenture entered into as of the Effective Date between MPXI and the Debenture Trustee, on its own behalf and on behalf of the Debentureholders, providing for the issuance of the Secured Debentures;

“**Encumbrance**” means any mortgage, charge, pledge, hypothecation, security interest, assignment by way of security, lien (statutory or otherwise), encumbrance, conditional sale agreement, capital lease, deposit arrangement, title retention agreement, and any other agreement, trust or arrangement that in substance secures payment or performance of an obligation.

“**Event of Default**” has the meaning specified in the Debenture Indenture.

“**Expenses**” has the meaning specified in Section 3(b).

“**Person**” means a natural person, partnership, corporation, joint stock company, trust, unincorporated association, joint venture or other entity or governmental entity, and pronouns have a similarly extended meaning.

“**Pledge Agreement**” means the securities pledge agreement to be entered into as of the Effective Date between MPXI and the Debenture Trustee, on behalf of the Debentureholders, with respect to the pledge of shares of to the Debenture Trustee, on behalf of the Debentureholders.

“**Secured Obligations**” has the meaning specified in Section 3(a).

“**Security Documents**” means this Agreement, the Guarantee, the Pledge Agreement and such further documents, instruments and other documents that may at any time be required to be provided by the Corporation to the Trustee in accordance with the terms of the Debenture Indenture.

“**Security Interest**” has the meaning specified in Section 3.

- (2) Terms defined in the *Personal Property Security Act* (Ontario) (as amended from time to time, the “**PPSA**”) or the *Securities Transfer Act, 2006* (Ontario) (“**STA**”) and used but not otherwise defined in this Agreement have the same meanings. Capitalized terms used in this Agreement but not defined have the meanings given to them in the Debenture Indenture.
- (3) In this Agreement the words “**including**”, “**includes**” and “**include**” mean “**including (or includes or include) without limitation**”. The expressions “**Section**” and other subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement. Words importing the singular number only include the plural and vice versa. The division of this Agreement into Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect its interpretation.
- (4) Any reference to this Agreement or any Security Document refers to this Agreement or such Security Document as the same may have been or may from time to time be amended, modified, extended, renewed, restated, replaced or supplemented and includes all schedules attached to it. Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules and regulations made under it as the same may have been or may from time to time be amended or re-enacted.
- (5) Any reference in this Agreement to an Encumbrance permitted by this Agreement is not intended to subordinate or postpone, and shall not be interpreted as subordinating or postponing, or as an agreement to subordinate or postpone, any Encumbrance created by any of the Security Documents to any Encumbrance permitted hereunder.

Section 2 Grant of Security.

The Obligor grants to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, a security interest in, and assign, mortgage, charge, hypothecate and pledge to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, all of the property and undertaking of the Obligor now owned or hereafter acquired and all of the property and undertaking in which the Obligor now has or hereafter acquires any interest (collectively, the “**Collateral**”) including all of the Obligor’s:

- (a) present and after acquired property;

- (b) inventory including goods held for sale, lease or resale, goods furnished or to be furnished to third parties under contracts of lease, consignment or service, goods which are raw materials or work in process, goods used in or procured for packing and materials used or consumed in the business of the Obligor;
- (c) equipment, machinery, furniture, fixtures, plant, vehicles and other goods of every kind and description and all licences and other rights and all related records, files, charts, plans, drawings, specifications, manuals and documents;
- (d) accounts due or accruing and all related agreements, books, accounts, invoices, letters, documents and papers recording, evidencing or relating to them;
- (e) money, documents of title, chattel paper, financial assets, investment property and instruments;
- (f) intangibles including all security interests, goodwill, choses in action, contracts, contract rights, licenses and other contractual benefits;
- (g) intellectual property;
- (h) all substitutions and replacements of and increases, additions and, where applicable, accessions to the property described in Section 2(a) through Section 2(g) inclusive; and
- (i) all proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in Section 2(a) through Section 2(h) inclusive, including the proceeds of such proceeds.

Section 3 Obligations Secured.

The security interest, assignment, mortgage, charge, hypothecation and pledge granted by this Agreement (collectively, the “**Security Interest**”) secures the payment and performance of:

- (a) all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by the Obligor to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, in any currency, under, in connection with or pursuant to this Agreement and any other Security Document to which the Obligor is a party, and whether incurred by the applicable Obligor alone or jointly with another or others and whether as principal, guarantor or surety and in whatever name or style (collectively, and together with the Expenses, the “**Secured Obligations**”); and
- (b) all expenses, costs and charges incurred by or on behalf of the Debenture Trustee in connection with this Agreement, the Security Interest or the Collateral, including all legal fees, court costs, receiver’s or agent’s remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling, transferring, delivering or obtaining payment for the Collateral, and of taking, defending or participating in any action or proceeding in connection with any of the foregoing matters or otherwise in connection with the Debenture Trustee’s, for its own benefit and on behalf of the Debentureholders, interest in any Collateral, whether or not directly relating to the enforcement of this Agreement or any other Security Document (collectively, the “**Expenses**”).

Section 4 Attachment.

- (1) The Obligor acknowledges that: (a) value has been given; (b) it has rights in its Collateral or the power to transfer rights in such Collateral to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, (other than after-acquired Collateral); (c) it has not agreed to postpone the time of attachment of the Security Interest; and (d) it has received a copy of this Agreement.
- (2) The Obligor will take all action that the Debenture Trustee deems advisable to cause the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, to have control over any investment property that are now or at any time become Collateral, and will: (a) deliver to and deposit with the Debenture Trustee any instruments that are Collateral; (b) cause the transfer of any instruments to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, to be registered wherever such registration may be required or advisable in the opinion of the Debenture Trustee; (c) endorse any instruments to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, or in blank or register them in the name of the Debenture Trustee or its nominee or otherwise as the Debenture Trustee may direct; and (d) deliver to the Debenture Trustee any and all consents or other documents that may be necessary to effect the transfer of any instruments to the Debenture Trustee or any third party. Notwithstanding the foregoing, and for greater certainty, the Security Interest granted hereby is subject to the terms and conditions of the Debenture Indenture and the Pledge Agreement and investment property delivered by the Obligor to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, are being held by the Debenture Trustee in trust, on a pro rata basis, on its behalf and on behalf of the Debentureholders in accordance with the terms and conditions of the Debenture Indenture and the Pledge Agreement.
- (3) The Security Interest does not extend to consumer goods.
- (4) The Security Interest does not extend or apply to the last day of the term of any lease or sublease of real property or any agreement for a lease or sublease of real property, now held or hereafter acquired by the Obligor, but the Obligor will stand possessed of any such last day upon trust to assign and dispose of it as the Debenture Trustee may reasonably direct.
- (5) To the extent that an assignment of amounts payable and other proceeds arising under or in connection with, or the grant of a security interest in any agreement, licence, permit or quota of the Obligor would result in the termination of such agreement, licence, permit or quota (each, a "**Restricted Asset**"), the Security Interest with respect to each Restricted Asset will constitute a trust created in favour of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, pursuant to which the Obligor holds as trustee all proceeds arising under or in connection with the Restricted Asset in trust for the Debenture Trustee, on its behalf and on behalf of the Debentureholders, on the following basis:
 - (a) subject to the Debenture Indenture and the Pledge Agreement, until the Security Interest is enforceable the Obligor is entitled to receive all such proceeds; and
 - (a) whenever the Security Interest is enforceable, (i) all rights of the Obligor to receive such proceeds cease and all such proceeds will be immediately paid over to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, and (ii) the Obligor will take all actions requested by the Debenture Trustee to collect and enforce payment and other rights arising under the Restricted Asset.

- (6) The Obligor will use all commercially reasonable efforts to obtain the consent of each other party to any and all Restricted Assets to the assignment of such Restricted Asset to the Debenture Trustee in accordance with this Agreement. The Obligor will also use all commercially reasonable efforts to ensure that all agreements entered into on and after the date of this Agreement expressly permit assignments of the benefits of such agreements as collateral security to the Debenture Trustee in accordance with the terms of this Agreement.

Section 5 Grant of Licence to Use Intellectual Property.

At such time as the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, is lawfully entitled to exercise its rights and remedies under Section 10 or Section 11, the Obligor grants to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, an irrevocable, nonexclusive licence (exercisable without payment of royalty or other compensation to the Obligor) to use, assign or sublicense any intellectual property in which the Obligor has rights wherever the same may be located, including in such licence access to (i) all media in which any of the licensed items may be recorded or stored, and (ii) all software and computer programs used for compilation or print-out. The license granted under this Section 5 is to enable the Debenture Trustee to exercise its rights and remedies under Section 9 through Section 17, inclusive, and for no other purpose.

Section 6 Care and Custody of Collateral.

- (1) The Debenture Trustee has no obligation to keep Collateral in its possession identifiable.
- (2) Without limiting any other rights or remedies under this Agreement, the Debenture Trustee may, upon the occurrence and during the continuance of an Event of Default, (i) notify any Person obligated on an instrument, chattel paper, security or account to make payments to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, whether or not the Obligor was previously making collections on such instruments, chattel paper or accounts, and (ii) assume control of any proceeds arising from the Collateral.
- (3) The Debenture Trustee has no obligation to collect dividends, distributions or interest payable on, or exercise any option or right in connection with, any Collateral. The Debenture Trustee has no obligation to protect or preserve any Collateral from depreciating in value or becoming worthless and is released from all responsibility for any loss of value.

Section 7 Rights of the Obligor.

- (1) Until the occurrence of an Event of Default which is continuing, the Obligor is entitled to vote the securities that are part of the Collateral and to receive all dividends and distributions on such securities. Until the occurrence of an Event of Default which is continuing, all rights of the Obligor to vote (under any proxy given by the Debenture Trustee (or its nominee), on its behalf and on behalf of the Debentureholders, or otherwise) or to receive distributions or dividends cease and all such rights become vested solely and absolutely in the Debenture Trustee.
- (2) Any distributions or dividends received by the Obligor contrary to Section 7(1) or any other moneys or property received by the Obligor after the Security Interest is enforceable will be received as trustee for the Debenture Trustee, on its behalf and on behalf of the Debentureholders, and shall be immediately paid over to the Debenture Trustee, on its behalf and on behalf of the Debentureholders.

Section 8 Expenses.

The Obligor is liable for and will pay on demand by the Debenture Trustee any and all Expenses.

Section 9 Enforcement.

The Security Interest becomes and is enforceable against the Obligor upon the occurrence and during the continuance of an Event of Default.

Section 10 Remedies.

Upon the occurrence and during the continuance of an Event of Default, the Debenture Trustee, on its behalf and on behalf of the Debentureholders, may realize upon the Collateral and enforce the rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, by:

- (a) entry onto any premises where Collateral consisting of tangible personal property may be located;
- (b) entry into possession of the Collateral by any method permitted by law;
- (c) sale, grant of options to purchase, or lease of all or any part of the Collateral;
- (d) holding, storing and keeping idle or operating all or any part of the Collateral;
- (e) exercising and enforcing all rights and remedies of a holder of the Collateral as if the Debenture Trustee, on its behalf and on behalf of the Debentureholders, were the absolute owner thereof (including, if necessary, causing the Collateral to be registered in the name of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, or its nominee if not already done);
- (f) collection of any proceeds arising in respect of the Collateral;
- (g) collection, realization or sale of, or other dealing with, accounts;
- (h) license or sublicense, whether on an exclusive or nonexclusive basis, of any intellectual property for such term and on such conditions and in such manner as the Debenture Trustee in its sole judgment determines (taking into account such provisions as may be necessary to protect and preserve such intellectual property);
- (i) instruction or order to any issuer or securities intermediary pursuant to any control the Debenture Trustee has over the Collateral;
- (j) instruction to any bank to transfer all moneys constituting Collateral held by such bank to an account maintained with or by the Debenture Trustee;
- (k) appointment by instrument in writing of a receiver (which term as used in this Agreement includes a receiver and manager) or agent of all or any part of the Collateral and removal or replacement from time to time of any receiver or agent;
- (l) institution of proceedings in any court of competent jurisdiction for the appointment of a receiver of all or any part of the Collateral;

- (m) institution of proceedings in any court of competent jurisdiction for sale or foreclosure of all or any part of the Collateral;
- (n) filing of proofs of claim and other documents to establish claims to the Collateral in any proceeding relating to the Obligor; and
- (o) any other remedy or proceeding authorized or permitted under the PPSA or otherwise by law or equity.

Section 11 Additional Rights.

In addition to the remedies set forth in Section 10 and elsewhere in this Agreement, the Debenture Trustee may, whenever the Security Interest upon the occurrence and during the continuance of an Event of Default:

- (a) require the Obligor, at the Obligor's expense, to assemble the Collateral at a place or places designated by notice in writing and the Obligor agrees to so assemble the Collateral immediately upon receipt of such notice;
- (b) require the Obligor, by notice in writing, to disclose to the Debenture Trustee the location or locations of the Collateral and the Obligor agrees to promptly make such disclosure when so required;
- (c) repair, process, modify, complete or otherwise deal with the Collateral and prepare for the disposition of the Collateral, whether on the premises of the Obligor or otherwise;
- (d) redeem any prior security interest against any Collateral, procure the transfer of such security interest to itself, or settle and pass the accounts of the prior mortgagee, chargee or encumbrancer (any accounts to be conclusive and binding on the Obligor);
- (e) pay any liability secured by any Encumbrance against any Collateral (the Obligor will immediately on demand reimburse the Debenture Trustee for all such payments);
- (f) carry on all or any part of the business of the Obligor and, to the exclusion of all others including the Obligor, enter upon, occupy and use all or any of the premises, buildings, and other property of or used by the Obligor for such time as the Debenture Trustee sees fit, free of charge, and the Debenture Trustee shall not be liable to the Obligor for any act, omission or negligence in so doing or for any rent, charges, depreciation or damages incurred in connection with or resulting from such action;
- (g) borrow for the purpose of carrying on the business of the Obligor or for the maintenance, preservation or protection of the Collateral and grant a security interest in the Collateral, whether or not in priority to the Security Interest, to secure repayment;
- (h) commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and give good and valid receipts and discharges in respect of the Collateral and compromise or give time for the payment or performance of all or any part of the accounts or any other obligation of any third party to the Obligor; and

- (i) at any public sale, and to the extent permitted by law on any private sale, bid for and purchase any or all of the Collateral offered for sale and upon compliance with the terms of such sale, hold, retain and dispose of such Collateral without any further accountability to the Obligor or any other Person with respect to such holding, retention or disposition, except as required by law. In any such sale to the Debenture Trustee, the Debenture Trustee may, for the purpose of making payment for all or any part of the Collateral so purchased, use any claim for Secured Obligations then due and payable to it as a credit against the purchase price.

Section 12 Exercise of Remedies.

The remedies under Section 10 and Section 11 may be exercised from time to time separately or in combination and are in addition to, and not in substitution for, any other rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, however arising or created, including without limitation as may arise or be created under the Debenture Indenture. The Debenture Trustee is not bound to exercise any right or remedy, and the exercise of rights and remedies is without prejudice to the rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, in respect of the Secured Obligations including the right to claim for any deficiency.

Section 13 Receiver's Powers.

- (1) Any receiver appointed by the Debenture Trustee shall be vested with the rights and remedies which could have been exercised by the Debenture Trustee, on its behalf and on behalf of the Debentureholders, in respect of the Obligor or the Collateral and such other powers and discretions as are granted in the instrument of appointment and any supplemental instruments. The identity of the receiver, its replacement and its remuneration shall be within the sole and unfettered discretion of the Debenture Trustee.
- (2) Any receiver appointed by the Debenture Trustee shall act as agent for the Debenture Trustee for the purposes of taking possession of the Collateral, but otherwise and for all other purposes (except as provided below), as agent for the Obligor. The receiver may sell, lease, or otherwise dispose of Collateral as agent for the Obligor or as agent for the Debenture Trustee as the Debenture Trustee may determine in its discretion. The Obligor agree to ratify and confirm all actions of the receiver acting as agent for the Obligor, and to release and indemnify the receiver in respect of all such actions.
- (3) The Debenture Trustee, in appointing or refraining from appointing any receiver, shall not incur liability to the receiver, the Obligor or otherwise and shall not be responsible for any misconduct or negligence of the receiver.

Section 14 Appointment of Attorney.

The Obligor hereby irrevocably constitute and appoint the Debenture Trustee (and any officer of the Debenture Trustee), on its behalf and on behalf of the Debentureholders, the true and lawful attorney of the Obligor. As the attorney of the Obligor, the Debenture Trustee has the power to exercise for and in the name of the Obligor with full power of substitution, upon the occurrence and during the continuance of an Event of Default, any of the Obligor's right (including the right of disposal), title and interest in and to the Collateral including the execution, endorsement, delivery and transfer of the Collateral to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, its nominees or transferees, and the Debenture Trustee and its nominees or transferees are hereby empowered to exercise all rights and powers and to perform all acts of ownership with respect to the Collateral to the same extent as the Obligor might do. This

power of attorney is irrevocable, is coupled with an interest, has been given for valuable consideration (the receipt and adequacy of which is acknowledged) and survives, and does not terminate upon, the bankruptcy, dissolution, winding up or insolvency of the Obligor. This power of attorney extends to and is binding upon the Obligor's successors and permitted assigns.

Section 15 Dealing with the Collateral.

- (1) The Debenture Trustee shall not be obliged to exhaust its recourse against the Obligor or any other Person or against any other security it may hold in respect of the Secured Obligations before realizing upon or otherwise dealing with the Collateral in such manner as the Debenture Trustee may consider desirable.
- (2) The Debenture Trustee may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Obligor and with other Persons, sureties or securities as it may see fit without prejudice to the Secured Obligations, the liability of the Obligor or the rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, in respect of the Collateral.
- (3) Except as otherwise provided by law or this Agreement, the Debenture Trustee shall not be:
(a) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral; (b) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or for the purpose of preserving any rights of any Persons in respect of the Collateral; (c) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal with the Collateral; or (d) bound to protect the Collateral from depreciating in value or becoming worthless.

Section 16 Standards of Sale.

Without prejudice to the ability of the Debenture Trustee to dispose of the Collateral in any manner which is commercially reasonable, the Obligor acknowledges that:

- (a) the Collateral may be disposed of in whole or in part;
- (b) the Collateral may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (c) any assignee of such Collateral may be the Debenture Trustee or a customer of the Debenture Trustee;
- (d) any sale conducted by the Debenture Trustee will be at such time and place, on such notice and in accordance with such procedures as the Debenture Trustee, in its sole discretion, may deem advantageous;
- (e) the Collateral may be disposed of in any manner and on any terms necessary to avoid violation of applicable law (including compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that the prospective bidders and purchasers have certain qualifications, and restrict the prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of the Collateral) or in order to obtain any required approval of the disposition (or of the resulting purchase) by any governmental or regulatory authority or official;

- (f) a disposition of Collateral may be on such terms and conditions as to credit or otherwise as the Debenture Trustee, in its sole discretion, may deem advantageous; and
- (g) the Debenture Trustee may establish an upset or reserve bid or price in respect of the Collateral.

Section 17 Dealings by Third Parties.

- (1) No Person dealing with the Debenture Trustee or an agent or receiver shall be required to determine (i) whether the Security Interest has become enforceable, (ii) whether the powers which such Person is purporting to exercise have become exercisable, (iii) whether any money remains due to the Debenture Trustee by the Obligor, (iv) the necessity or expediency of the stipulations and conditions subject to which any sale or lease is made, (v) the propriety or regularity of any sale or other dealing by the Debenture Trustee with the Collateral, or (vi) how any money paid to the Debenture Trustee has been applied.
- (2) Any *bona fide* purchaser of all or any part of the Collateral from the Debenture Trustee or any receiver or agent shall hold the Collateral absolutely, free from any claim or right of whatever kind, including any equity of redemption, of the Obligor, which it specifically waives (to the fullest extent permitted by law) as against any such purchaser together with all rights of redemption, stay or appraisal which the Obligor has or may have under any rule of law or statute now existing or hereafter adopted.

Section 18 Representations, Warranties and Covenants.

The Obligor represents and warrants and covenants and agrees, acknowledging and confirming that the Debenture Trustee, on its behalf and on behalf of the Debentureholders, is relying on such representations, warranties, covenants and agreements, that:

- (1) **Continuous Perfection.** Schedule “A” sets out the Obligor’s: (a) place of business or, if more than one, chief executive office; (b) registered office; and (c) jurisdiction of organization. The Obligor will not change the location of its place of business or chief executive office, as the case may be, registered office or jurisdiction of organization without providing at least thirty (30) days prior written notice to the Debenture Trustee. The Collateral, to the extent not delivered to the Debenture Trustee pursuant to Section 4, is kept and will be kept at those locations listed on Schedule “A”, and the Obligor will not remove the Collateral from such locations, without providing at least thirty (30) days prior written notice to the Debenture Trustee, provided that Collateral may be moved to another location as long as such other location is in a jurisdiction in which the Debenture Trustee has a valid and perfected first ranking security interest in the Collateral. The Obligor will not change its name in any manner without providing at least thirty (30) days prior written notice to the Debenture Trustee; and
- (2) **Capacity:** The Obligor is duly incorporated or otherwise created and validly subsisting and in good standing under the laws of the jurisdiction of its incorporation or creation, as applicable, and has the legal capacity and competence to execute this Agreement and to take all actions required pursuant hereto and all necessary approvals by directors and shareholders of the Obligor, or otherwise, have been given to authorize it to execute and deliver this Agreement and to take all actions required pursuant hereto.

Section 19 General.

- (1) This Agreement is subject in its entirety to the terms and conditions of the Debenture Indenture and the Pledge Agreement, as applicable.
- (2) Any notice, direction or other communication to be given under this Agreement shall be in writing and given in accordance with the Debenture Indenture.
- (3) The Security Interest shall be discharged upon, but only upon: (a) full and indefeasible payment and performance of the Secured Obligations; and (b) the Debenture Trustee, on its own behalf and on behalf of the Debentureholders, having no commitments under any Security Document. Upon discharge of the Security Interest and at the request and expense of the Obligor, the Debenture Trustee shall execute and deliver to the Obligor such releases, discharges, financing statements and other documents or instruments as the Obligor may reasonably require and the Debenture Trustee will redeliver to the Obligor, or as the Obligor may otherwise direct the Debenture Trustee, any Collateral in its possession.
- (4) This Agreement does not operate by way of merger of any of the Secured Obligations and no judgment recovered by the Debenture Trustee will operate by way of merger of, or in any way affect, the Security Interest, which is in addition to, and not in substitution for, any other security now or hereafter held by the Debenture Trustee, on its own behalf or on behalf of the Debentureholders, in respect of the Secured Obligations. The representations, warranties and covenants of the Obligor in this Agreement survive the execution and delivery of this Agreement and any advances made hereunder. Notwithstanding any investigation made by or on behalf of the Debenture Trustee, the covenants, representations and warranties continue in full force and effect.
- (5) The Obligor will do all acts and things and execute and deliver, or cause to be executed and delivered, all agreements, documents and instruments that the Debenture Trustee may require and take all further steps relating to the Collateral or any other property or assets of the Obligor that the Debenture Trustee may require for: (a) protecting the Collateral; (b) perfecting, preserving and protecting the Security Interest; and (c) exercising all powers, authorities and discretions conferred upon the Debenture Trustee. Upon the occurrence and during the continuance of an Event of Default, the Obligor will do all acts and things and execute and deliver all documents and instruments that the Debenture Trustee may require for facilitating the sale or other disposition of the Collateral in connection with its realization.
- (6) This Agreement is in addition to, without prejudice to and supplemental to all other security now held or which may hereafter be held by the Debenture Trustee.
- (7) This Agreement shall be binding on the Obligor, its respective successors and assigns, and enures to the benefit of the Debenture Trustee, on its own behalf and on behalf of the Debenture Trustee, and its successors and assigns. In any action brought by an assignee to enforce any such right, the Obligor shall not assert against the assignee any claim or defence which the Obligor has or may have against the Debenture Trustee. The Obligor may not assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Debenture Trustee which may be unreasonably withheld.
- (8) The Obligor acknowledges and agrees that in the event it amalgamates with any other corporation or corporations, it is the intention of the parties that the Security Interest: (a) extends to: (i) all of the property and undertaking that any of the amalgamating corporations then owns; (ii) all of the property and undertaking that the amalgamated corporation thereafter acquires; (iii) all of the

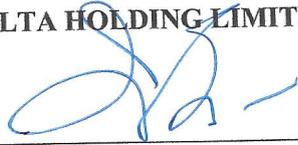
property and undertaking in which any of the amalgamating corporations then has any interest; and (iv) all of the property and undertaking in which the amalgamated corporation thereafter acquires any interest; and (b) secures the payment and performance of all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by each of the amalgamating corporations and the amalgamated corporation to the Debenture Trustee in any currency, however or wherever incurred, and whether incurred alone or jointly with another or others and whether as principal, guarantor or surety and whether incurred prior to, at the time of or subsequent to the amalgamation. The Security Interest attaches to the additional collateral at the time of amalgamation and to any collateral thereafter owned or acquired by the amalgamated corporation when such becomes owned or is acquired. Upon any such amalgamation, the defined term “**Obligor**” means, collectively, each of the amalgamating corporations and the amalgamated corporation, the defined term “**Collateral**” means all of the property and undertaking and interests described in (a) above, and the defined term “**Secured Obligations**” means the obligations described in (b) above.

- (9) If any court of competent jurisdiction determines any provision of this Agreement to be illegal, invalid or unenforceable, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.
- (10) This Agreement may only be amended, supplemented or otherwise modified by written agreement executed by the Debenture Trustee and the Obligor.
- (11) No consent or waiver by the Debenture Trustee in respect of this Agreement is binding unless made in writing and signed by an authorized officer of the Debenture Trustee. Any consent or waiver given under this Agreement is effective only in the specific instance and for the specific purpose for which given. No waiver of any of the provisions of this Agreement constitutes a waiver of any other provision. A failure or delay on the part of the Debenture Trustee in exercising a right under this Agreement does not operate as a waiver of, or impair, any right of the Debenture Trustee however arising. A single or partial exercise of a right on the part of the Debenture Trustee does not preclude any other or further exercise of that right or the exercise of any other right by the Debenture Trustee.
- (12) This Agreement will be governed by, interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

[Signature page follows]

IN WITNESS WHEREOF the Obligor has executed this Agreement.

MPXI MALTA HOLDING LIMITED

By: 

Name: W. Scott Boyes

Title: Director

SCHEDULE "A"
RELEVANT JURISDICTIONS AND LOCATIONS

Jurisdiction of Organization: Malta

Registered Address: 4, V. Dimech Street,
Floriana, FRN 1504,
Malta

SECURITY AGREEMENT

Security Agreement (as amended, modified, supplemented, restated or replaced from time to time, this "**Agreement**") dated as of June 30, 2020 (the "**Effective Date**") made by MPXI Malta Operations Limited, a corporation existing under the laws of Malta (the "**Obligor**") to and in favour of ASI Trust Company (Canada), as debenture trustee under the Debenture Indenture (as defined herein) (in such capacity, together with its successors and assigns, the "**Debenture Trustee**").

WHEREAS certain subscribers (the "**Debentureholders**") have executed and delivered subscription agreements for secured convertible debentures created by and authorized by and issuable under the Debenture Indenture (as defined herein), as issued by MPXI International Corporation ("**MPXI**") on the Effective Date (the "**Secured Debentures**");

AND WHEREAS the Secured Debentures constitute and make available to MPXI certain interest bearing loan amounts that mature twenty-four (24) months from the Effective Date pursuant to the terms and conditions of the Debenture Indenture;

AND WHEREAS the obligations of MPXI pursuant to the Secured Debentures are secured by liens on substantially all of the assets of MPXI pursuant to the Security Documents (as defined herein);

AND WHEREAS as a condition precedent to the issuance of debentures pursuant to Debenture Indenture, the Obligor will execute and deliver a guarantee (the "**Guarantee**") in favour of the Debenture Trustee, on its own behalf and on behalf of the Debentureholders;

AND WHEREAS it is a condition precedent to the issuance of the Secured Debentures pursuant to the Debenture Indenture that the Obligor execute and deliver this Agreement in favour of the Debenture Trustee, on its own behalf and on behalf of the Debentureholders;

AND WHEREAS MPXI is the mother company of the Obligor and due to the close business and financial relationships between Obligor and MPXI, the Obligor will derive substantial direct and indirect benefits from such transactions and therefore the Obligor considers it in its best interest to provide this Agreement;

NOW THEREFORE for good and valuable consideration, the receipt of which is hereby acknowledged, the Obligor agrees, for the benefit of the Debenture Trustee, as follows:

Section 1 Defined Terms; Interpretation.

(1) As used in this Agreement, the following terms have the following meanings:

"**Collateral**" has the meaning specified in Section 2.

"**Debenture Indenture**" means the debenture indenture entered into as of the Effective Date between MPXI and the Debenture Trustee, on its own behalf and on behalf of the Debentureholders, providing for the issuance of the Secured Debentures;

"**Encumbrance**" means any mortgage, charge, pledge, hypothecation, security interest, assignment by way of security, lien (statutory or otherwise), encumbrance, conditional sale agreement, capital lease, deposit arrangement, title retention agreement, and any other agreement, trust or arrangement that in substance secures payment or performance of an obligation.

"**Event of Default**" has the meaning specified in the Debenture Indenture.

"Expenses" has the meaning specified in Section 3(b).

"Person" means a natural person, partnership, corporation, joint stock company, trust, unincorporated association, joint venture or other entity or governmental entity, and pronouns have a similarly extended meaning.

"Pledge Agreement" means the securities pledge agreement to be entered into as of the Effective Date between MPXI and the Debenture Trustee, on behalf of the Debentureholders, with respect to the pledge of shares of to the Debenture Trustee, on behalf of the Debentureholders.

"Secured Obligations" has the meaning specified in Section 3(a).

"Security Documents" means this Agreement, the Guarantee, the Pledge Agreement and such further documents, instruments and other documents that may at any time be required to be provided by the Corporation to the Trustee in accordance with the terms of the Debenture Indenture.

"Security Interest" has the meaning specified in Section 3.

- (2) Terms defined in the *Personal Property Security Act (Ontario)* (as amended from time to time, the "PPSA") or the *Securities Transfer Act, 2006 (Ontario)* ("STA") and used but not otherwise defined in this Agreement have the same meanings. Capitalized terms used in this Agreement but not defined have the meanings given to them in the Debenture Indenture.
- (3) In this Agreement the words "**including**", "**includes**" and "**include**" mean "**including (or includes or include) without limitation**". The expressions "**Section**" and other subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement. Words importing the singular number only include the plural and vice versa. The division of this Agreement into Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect its interpretation.
- (4) Any reference to this Agreement or any Security Document refers to this Agreement or such Security Document as the same may have been or may from time to time be amended, modified, extended, renewed, restated, replaced or supplemented and includes all schedules attached to it. Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules and regulations made under it as the same may have been or may from time to time be amended or re-enacted.
- (5) Any reference in this Agreement to an Encumbrance permitted by this Agreement is not intended to subordinate or postpone, and shall not be interpreted as subordinating or postponing, or as any agreement to subordinate or postpone, any Encumbrance created by any of the Security Documents to any Encumbrance permitted hereunder.

Section 2 Grant of Security.

The Obligor grants to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, a security interest in, and assign, mortgage, charge, hypothecate and pledge to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, all of the property and undertaking of the Obligor now owned or hereafter acquired and all of the property and undertaking in which the Obligor now has or hereafter acquires any interest (collectively, the "**Collateral**") including all of the Obligor's:

- (a) present and after acquired property;

- (b) inventory including goods held for sale, lease or resale, goods furnished or to be furnished to third parties under contracts of lease, consignment or service, goods which are raw materials or work in process, goods used in or procured for packing and materials used or consumed in the business of the Obligor;
- (c) equipment, machinery, furniture, fixtures, plant, vehicles and other goods of every kind and description and all licences and other rights and all related records, files, charts, plans, drawings, specifications, manuals and documents;
- (d) accounts due or accruing and all related agreements, books, accounts, invoices, letters, documents and papers recording, evidencing or relating to them;
- (e) money, documents of title, chattel paper, financial assets, investment property and instruments;
- (f) intangibles including all security interests, goodwill, choses in action, contracts, contract rights, licenses and other contractual benefits;
- (g) intellectual property;
- (h) all substitutions and replacements of and increases, additions and, where applicable, accessions to the property described in Section 2(a) through Section 2(g) inclusive; and
- (i) all proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in Section 2(a) through Section 2(h) inclusive, including the proceeds of such proceeds.

Section 3 Obligations Secured.

The security interest, assignment, mortgage, charge, hypothecation and pledge granted by this Agreement (collectively, the **"Security Interest"**) secures the payment and performance of:

- (a) all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by the Obligor to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, in any currency, under, in connection with or pursuant to this Agreement and any other Security Document to which the Obligor is a party, and whether incurred by the applicable Obligor alone or jointly with another or others and whether as principal, guarantor or surety and in whatever name or style (collectively, and together with the Expenses, the **"Secured Obligations"**); and
- (b) all expenses, costs and charges incurred by or on behalf of the Debenture Trustee in connection with this Agreement, the Security Interest or the Collateral, including all legal fees, court costs, receiver's or agent's remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling, transferring, delivering or obtaining payment for the Collateral, and of taking, defending or participating in any action or proceeding in connection with any of the foregoing matters or otherwise in connection with the Debenture Trustee's, for its own benefit and on behalf of the Debentureholders, interest in any Collateral, whether or not directly relating to the enforcement of this Agreement or any other Security Document (collectively, the **"Expenses"**).

Section 4 Attachment.

- (1) The Obligor acknowledges that: (a) value has been given; (b) it has rights in its Collateral or the power to transfer rights in such Collateral to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, (other than after-acquired Collateral); (c) it has not agreed to postpone the time of attachment of the Security Interest; and (d) it has received a copy of this Agreement.

- (2) The Obligor will take all action that the Debenture Trustee deems advisable to cause the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, to have control over any investment property that are now or at any time become Collateral, and will: (a) deliver to and deposit with the Debenture Trustee any instruments that are Collateral; (b) cause the transfer of any instruments to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, to be registered wherever such registration may be required or advisable in the opinion of the Debenture Trustee; (c) endorse any instruments to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, or in blank or register them in the name of the Debenture Trustee or its nominee or otherwise as the Debenture Trustee may direct; and (d) deliver to the Debenture Trustee any and all consents or other documents that may be necessary to effect the transfer of any instruments to the Debenture Trustee or any third party. Notwithstanding the foregoing, and for greater certainty, the Security Interest granted hereby is subject to the terms and conditions of the Debenture Indenture and the Pledge Agreement and investment property delivered by the Obligor to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, are being held by the Debenture Trustee in trust, on a pro rata basis, on its behalf and on behalf of the Debentureholders in accordance with the terms and conditions of the Debenture Indenture and the Pledge Agreement.

- (3) The Security Interest does not extend to consumer goods.

- (4) The Security Interest does not extend or apply to the last day of the term of any lease or sublease of real property or any agreement for a lease or sublease of real property, now held or hereafter acquired by the Obligor, but the Obligor will stand possessed of any such last day upon trust to assign and dispose of it as the Debenture Trustee may reasonably direct.

- (5) To the extent that an assignment of amounts payable and other proceeds arising under or in connection with, or the grant of a security interest in any agreement, licence, permit or quota of the Obligor would result in the termination of such agreement, licence, permit or quota (each, a "Restricted Asset"), the Security Interest with respect to each Restricted Asset will constitute a trust created in favour of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, pursuant to which the Obligor holds as trustee all proceeds arising under or in connection with the Restricted Asset in trust for the Debenture Trustee, on its behalf and on behalf of the Debentureholders, on the following basis:
 - (a) subject to the Debenture Indenture and the Pledge Agreement, until the Security Interest is enforceable the Obligor is entitled to receive all such proceeds; and

 - (a) whenever the Security Interest is enforceable, (i) all rights of the Obligor to receive such proceeds cease and all such proceeds will be immediately paid over to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, and (ii) the Obligor will take all actions requested by the Debenture Trustee to collect and enforce payment and other rights arising under the Restricted Asset.

- (6) The Obligor will use all commercially reasonable efforts to obtain the consent of each other party to any and all Restricted Assets to the assignment of such Restricted Asset to the Debenture Trustee in accordance with this Agreement. The Obligor will also use all commercially reasonable efforts to ensure that all agreements entered into on and after the date of this Agreement expressly permit assignments of the benefits of such agreements as collateral security to the Debenture Trustee in accordance with the terms of this Agreement.

Section 5 Grant of Licence to Use Intellectual Property.

At such time as the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, is lawfully entitled to exercise its rights and remedies under Section 10 or Section 11, the Obligor grants to the Debenture Trustee, for its own benefit and on behalf of the Debentureholders, an irrevocable, nonexclusive licence (exercisable without payment of royalty or other compensation to the Obligor) to use, assign or sublicense any intellectual property in which the Obligor has rights wherever the same may be located, including in such licence access to (i) all media in which any of the licensed items may be recorded or stored, and (ii) all software and computer programs used for compilation or print-out. The license granted under this Section 5 is to enable the Debenture Trustee to exercise its rights and remedies under Section 9 through Section 17, inclusive, and for no other purpose.

Section 6 Care and Custody of Collateral.

- (1) The Debenture Trustee has no obligation to keep Collateral in its possession identifiable.
- (2) Without limiting any other rights or remedies under this Agreement, the Debenture Trustee may, upon the occurrence and during the continuance of an Event of Default, (i) notify any Person obligated on an instrument, chattel paper, security or account to make payments to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, whether or not the Obligor was previously making collections on such instruments, chattel paper or accounts, and (ii) assume control of any proceeds arising from the Collateral.
- (3) The Debenture Trustee has no obligation to collect dividends, distributions or interest payable on, or exercise any option or right in connection with, any Collateral. The Debenture Trustee has no obligation to protect or preserve any Collateral from depreciating in value or becoming worthless and is released from all responsibility for any loss of value.

Section 7 Rights of the Obligor.

- (1) Until the occurrence of an Event of Default which is continuing, the Obligor is entitled to vote the securities that are part of the Collateral and to receive all dividends and distributions on such securities. Until the occurrence of an Event of Default which is continuing, all rights of the Obligor to vote (under any proxy given by the Debenture Trustee (or its nominee), on its behalf and on behalf of the Debentureholders, or otherwise) or to receive distributions or dividends cease and all such rights become vested solely and absolutely in the Debenture Trustee.
- (2) Any distributions or dividends received by the Obligor contrary to Section 7(1) or any other moneys or property received by the Obligor after the Security Interest is enforceable will be received as trustee for the Debenture Trustee, on its behalf and on behalf of the Debentureholders, and shall be immediately paid over to the Debenture Trustee, on its behalf and on behalf of the Debentureholders.

Section 8 Expenses.

The Obligor is liable for and will pay on demand by the Debenture Trustee any and all Expenses.

Section 9 Enforcement.

The Security Interest becomes and is enforceable against the Obligor upon the occurrence and during the continuance of an Event of Default.

Section 10 Remedies.

Upon the occurrence and during the continuance of an Event of Default, the Debenture Trustee, on its behalf and on behalf of the Debentureholders, may realize upon the Collateral and enforce the rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, by:

- (a) entry onto any premises where Collateral consisting of tangible personal property may be located;
- (b) entry into possession of the Collateral by any method permitted by law;
- (c) sale, grant of options to purchase, or lease of all or any part of the Collateral;
- (d) holding, storing and keeping idle or operating all or any part of the Collateral;
- (e) exercising and enforcing all rights and remedies of a holder of the Collateral as if the Debenture Trustee, on its behalf and on behalf of the Debentureholders, were the absolute owner thereof (including, if necessary, causing the Collateral to be registered in the name of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, or its nominee if not already done);
- (f) collection of any proceeds arising in respect of the Collateral;
- (g) collection, realization or sale of, or other dealing with, accounts;
- (h) license or sublicense, whether on an exclusive or nonexclusive basis, of any intellectual property for such term and on such conditions and in such manner as the Debenture Trustee in its sole judgment determines (taking into account such provisions as may be necessary to protect and preserve such intellectual property);
- (i) instruction or order to any issuer or securities intermediary pursuant to any control the Debenture Trustee has over the Collateral;
- (j) instruction to any bank to transfer all moneys constituting Collateral held by such bank to an account maintained with or by the Debenture Trustee;
- (k) appointment by instrument in writing of a receiver (which term as used in this Agreement includes a receiver and manager) or agent of all or any part of the Collateral and removal or replacement from time to time of any receiver or agent;
- (l) institution of proceedings in any court of competent jurisdiction for the appointment of a receiver of all or any part of the Collateral;

- (m) institution of proceedings in any court of competent jurisdiction for sale or foreclosure of all or any part of the Collateral;
- (n) filing of proofs of claim and other documents to establish claims to the Collateral in any proceeding relating to the Obligor; and
- (o) any other remedy or proceeding authorized or permitted under the PPSA or otherwise by law or equity.

Section 11 Additional Rights.

In addition to the remedies set forth in Section 10 and elsewhere in this Agreement, the Debenture Trustee may, whenever the Security Interest upon the occurrence and during the continuance of an Event of Default:

- (a) require the Obligor, at the Obligor's expense, to assemble the Collateral at a place or places designated by notice in writing and the Obligor agrees to so assemble the Collateral immediately upon receipt of such notice;
- (b) require the Obligor, by notice in writing, to disclose to the Debenture Trustee the location or locations of the Collateral and the Obligor agrees to promptly make such disclosure when so required;
- (c) repair, process, modify, complete or otherwise deal with the Collateral and prepare for the disposition of the Collateral, whether on the premises of the Obligor or otherwise;
- (d) redeem any prior security interest against any Collateral, procure the transfer of such security interest to itself, or settle and pass the accounts of the prior mortgagee, chargee or encumbrancer (any accounts to be conclusive and binding on the Obligor);
- (e) pay any liability secured by any Encumbrance against any Collateral (the Obligor will immediately on demand reimburse the Debenture Trustee for all such payments);
- (f) carry on all or any part of the business of the Obligor and, to the exclusion of all others including the Obligor, enter upon, occupy and use all or any of the premises, buildings, and other property of or used by the Obligor for such time as the Debenture Trustee sees fit, free of charge, and the Debenture Trustee shall not be liable to the Obligor for any act, omission or negligence in so doing or for any rent, charges, depreciation or damages incurred in connection with or resulting from such action;
- (g) borrow for the purpose of carrying on the business of the Obligor or for the maintenance, preservation or protection of the Collateral and grant a security interest in the Collateral, whether or not in priority to the Security Interest, to secure repayment;
- (h) commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and give good and valid receipts and discharges in respect of the Collateral and compromise or give time for the payment or performance of all or any part of the accounts or any other obligation of any third party to the Obligor; and

- (i) at any public sale, and to the extent permitted by law on any private sale, bid for and purchase any or all of the Collateral offered for sale and upon compliance with the terms of such sale, hold, retain and dispose of such Collateral without any further accountability to the Obligor or any other Person with respect to such holding, retention or disposition, except as required by law. In any such sale to the Debenture Trustee, the Debenture Trustee may, for the purpose of making payment for all or any part of the Collateral so purchased, use any claim for Secured Obligations then due and payable to it as a credit against the purchase price.

Section 12 Exercise of Remedies.

The remedies under Section 10 and Section 11 may be exercised from time to time separately or in combination and are in addition to, and not in substitution for, any other rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, however arising or created, including without limitation as may arise or be created under the Debenture Indenture. The Debenture Trustee is not bound to exercise any right or remedy, and the exercise of rights and remedies is without prejudice to the rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, in respect of the Secured Obligations including the right to claim for any deficiency.

Section 13 Receiver's Powers.

- (1) Any receiver appointed by the Debenture Trustee shall be vested with the rights and remedies which could have been exercised by the Debenture Trustee, on its behalf and on behalf of the Debentureholders, in respect of the Obligor or the Collateral and such other powers and discretions as are granted in the instrument of appointment and any supplemental instruments. The identity of the receiver, its replacement and its remuneration shall be within the sole and unfettered discretion of the Debenture Trustee.
- (2) Any receiver appointed by the Debenture Trustee shall act as agent for the Debenture Trustee for the purposes of taking possession of the Collateral, but otherwise and for all other purposes (except as provided below), as agent for the Obligor. The receiver may sell, lease, or otherwise dispose of Collateral as agent for the Obligor or as agent for the Debenture Trustee as the Debenture Trustee may determine in its discretion. The Obligor agree to ratify and confirm all actions of the receiver acting as agent for the Obligor, and to release and indemnify the receiver in respect of all such actions.
- (3) The Debenture Trustee, in appointing or refraining from appointing any receiver, shall not incur liability to the receiver, the Obligor or otherwise and shall not be responsible for any misconduct or negligence of the receiver.

Section 14 Appointment of Attorney.

The Obligor hereby irrevocably constitute and appoint the Debenture Trustee (and any officer of the Debenture Trustee), on its behalf and on behalf of the Debentureholders, the true and lawful attorney of the Obligor. As the attorney of the Obligor, the Debenture Trustee has the power to exercise for and in the name of the Obligor with full power of substitution, upon the occurrence and during the continuance of an Event of Default, any of the Obligor's right (including the right of disposal), title and interest in and to the Collateral including the execution, endorsement, delivery and transfer of the Collateral to the Debenture Trustee, on its behalf and on behalf of the Debentureholders, its nominees or transferees, and the Debenture Trustee and its nominees or transferees are hereby empowered to exercise all rights and powers and to perform all acts of ownership with respect to the Collateral to the same extent as the Obligor might do. This

power of attorney is irrevocable, is coupled with an interest, has been given for valuable consideration (the receipt and adequacy of which is acknowledged) and survives, and does not terminate upon, the bankruptcy, dissolution, winding up or insolvency of the Obligor. This power of attorney extends to and is binding upon the Obligor's successors and permitted assigns.

Section 15 Dealing with the Collateral.

- (1) The Debenture Trustee shall not be obliged to exhaust its recourse against the Obligor or any other Person or against any other security it may hold in respect of the Secured Obligations before realizing upon or otherwise dealing with the Collateral in such manner as the Debenture Trustee may consider desirable.
- (2) The Debenture Trustee may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Obligor and with other Persons, sureties or securities as it may see fit without prejudice to the Secured Obligations, the liability of the Obligor or the rights of the Debenture Trustee, on its behalf and on behalf of the Debentureholders, in respect of the Collateral.
- (3) Except as otherwise provided by law or this Agreement, the Debenture Trustee shall not be:
 - (a) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral;
 - (b) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or for the purpose of preserving any rights of any Persons in respect of the Collateral;
 - (c) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal with the Collateral; or
 - (d) bound to protect the Collateral from depreciating in value or becoming worthless.

Section 16 Standards of Sale.

Without prejudice to the ability of the Debenture Trustee to dispose of the Collateral in any manner which is commercially reasonable, the Obligor acknowledges that:

- (a) the Collateral may be disposed of in whole or in part;
- (b) the Collateral may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (c) any assignee of such Collateral may be the Debenture Trustee or a customer of the Debenture Trustee;
- (d) any sale conducted by the Debenture Trustee will be at such time and place, on such notice and in accordance with such procedures as the Debenture Trustee, in its sole discretion, may deem advantageous;
- (e) the Collateral may be disposed of in any manner and on any terms necessary to avoid violation of applicable law (including compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that the prospective bidders and purchasers have certain qualifications, and restrict the prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of the Collateral) or in order to obtain any required approval of the disposition (or of the resulting purchase) by any governmental or regulatory authority or official;

- (f) a disposition of Collateral may be on such terms and conditions as to credit or otherwise as the Debenture Trustee, in its sole discretion, may deem advantageous; and
- (g) the Debenture Trustee may establish an upset or reserve bid or price in respect of the Collateral.

Section 17 Dealings by Third Parties.

- (1) No Person dealing with the Debenture Trustee or an agent or receiver shall be required to determine (i) whether the Security Interest has become enforceable, (ii) whether the powers which such Person is purporting to exercise have become exercisable, (iii) whether any money remains due to the Debenture Trustee by the Obligor, (iv) the necessity or expediency of the stipulations and conditions subject to which any sale or lease is made, (v) the propriety or regularity of any sale or other dealing by the Debenture Trustee with the Collateral, or (vi) how any money paid to the Debenture Trustee has been applied.
- (2) Any *bona fide* purchaser of all or any part of the Collateral from the Debenture Trustee or any receiver or agent shall hold the Collateral absolutely, free from any claim or right of whatever kind, including any equity of redemption, of the Obligor, which it specifically waives (to the fullest extent permitted by law) as against any such purchaser together with all rights of redemption, stay or appraisal which the Obligor has or may have under any rule of law or statute now existing or hereafter adopted.

Section 18 Representations, Warranties and Covenants.

The Obligor represents and warrants and covenants and agrees, acknowledging and confirming that the Debenture Trustee, on its behalf and on behalf of the Debentureholders, is relying on such representations, warranties, covenants and agreements, that:

- (1) **Continuous Perfection.** Schedule "A" sets out the Obligor's: (a) place of business or, if more than one, chief executive office; (b) registered office; and (c) jurisdiction of organization. The Obligor will not change the location of its place of business or chief executive office, as the case may be, registered office or jurisdiction of organization without providing at least thirty (30) days prior written notice to the Debenture Trustee. The Collateral, to the extent not delivered to the Debenture Trustee pursuant to Section 4, is kept and will be kept at those locations listed on Schedule "A", and the Obligor will not remove the Collateral from such locations, without providing at least thirty (30) days prior written notice to the Debenture Trustee, provided that Collateral may be moved to another location as long as such other location is in a jurisdiction in which the Debenture Trustee has a valid and perfected first ranking security interest in the Collateral. The Obligor will not change its name in any manner without providing at least thirty (30) days prior written notice to the Debenture Trustee; and
- (2) **Capacity:** The Obligor is duly incorporated or otherwise created and validly subsisting and in good standing under the laws of the jurisdiction of its incorporation or creation, as applicable, and has the legal capacity and competence to execute this Agreement and to take all actions required pursuant hereto and all necessary approvals by directors and shareholders of the Obligor, or otherwise, have been given to authorize it to execute and deliver this Agreement and to take all actions required pursuant hereto.

Section 19 General.

- (1) This Agreement is subject in its entirety to the terms and conditions of the Debenture Indenture and the Pledge Agreement, as applicable.
- (2) Any notice, direction or other communication to be given under this Agreement shall be in writing and given in accordance with the Debenture Indenture.
- (3) The Security Interest shall be discharged upon, but only upon: (a) full and indefeasible payment and performance of the Secured Obligations; and (b) the Debenture Trustee, on its own behalf and on behalf of the Debentureholders, having no commitments under any Security Document. Upon discharge of the Security Interest and at the request and expense of the Obligor, the Debenture Trustee shall execute and deliver to the Obligor such releases, discharges, financing statements and other documents or instruments as the Obligor may reasonably require and the Debenture Trustee will redeliver to the Obligor, or as the Obligor may otherwise direct the Debenture Trustee, any Collateral in its possession.
- (4) This Agreement does not operate by way of merger of any of the Secured Obligations and no judgment recovered by the Debenture Trustee will operate by way of merger of, or in any way affect, the Security Interest, which is in addition to, and not in substitution for, any other security now or hereafter held by the Debenture Trustee, on its own behalf or on behalf of the Debentureholders, in respect of the Secured Obligations. The representations, warranties and covenants of the Obligor in this Agreement survive the execution and delivery of this Agreement and any advances made hereunder. Notwithstanding any investigation made by or on behalf of the Debenture Trustee, the covenants, representations and warranties continue in full force and effect.
- (5) The Obligor will do all acts and things and execute and deliver, or cause to be executed and delivered, all agreements, documents and instruments that the Debenture Trustee may require and take all further steps relating to the Collateral or any other property or assets of the Obligor that the Debenture Trustee may require for: (a) protecting the Collateral; (b) perfecting, preserving and protecting the Security Interest; and (c) exercising all powers, authorities and discretions conferred upon the Debenture Trustee. Upon the occurrence and during the continuance of an Event of Default, the Obligor will do all acts and things and execute and deliver all documents and instruments that the Debenture Trustee may require for facilitating the sale or other disposition of the Collateral in connection with its realization.
- (6) This Agreement is in addition to, without prejudice to and supplemental to all other security now held or which may hereafter be held by the Debenture Trustee.
- (7) This Agreement shall be binding on the Obligor, its respective successors and assigns, and enures to the benefit of the Debenture Trustee, on its own behalf and on behalf of the Debenture Trustee, and its successors and assigns. In any action brought by an assignee to enforce any such right, the Obligor shall not assert against the assignee any claim or defence which the Obligor has or may have against the Debenture Trustee. The Obligor may not assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Debenture Trustee which may be unreasonably withheld.
- (8) The Obligor acknowledges and agrees that in the event it amalgamates with any other corporation or corporations, it is the intention of the parties that the Security Interest: (a) extends to: (i) all of the property and undertaking that any of the amalgamating corporations then owns; (ii) all of the property and undertaking that the amalgamated corporation thereafter acquires; (iii) all of the

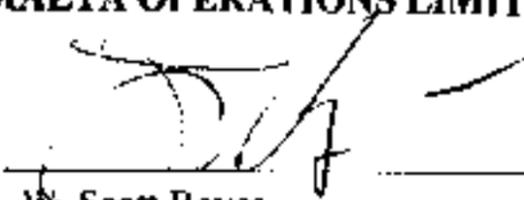
property and undertaking in which any of the amalgamating corporations then has any interest; and (iv) all of the property and undertaking in which the amalgamated corporation thereafter acquires any interest; and (b) secures the payment and performance of all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by each of the amalgamating corporations and the amalgamated corporation to the Debenture Trustee in any currency, however or wherever incurred, and whether incurred alone or jointly with another or others and whether as principal, guarantor or surety and whether incurred prior to, at the time of or subsequent to the amalgamation. The Security Interest attaches to the additional collateral at the time of amalgamation and to any collateral thereafter owned or acquired by the amalgamated corporation when such becomes owned or is acquired. Upon any such amalgamation, the defined term "**Obligor**" means, collectively, each of the amalgamating corporations and the amalgamated corporation, the defined term "**Collateral**" means all of the property and undertaking and interests described in (a) above, and the defined term "**Secured Obligations**" means the obligations described in (b) above.

- (9) If any court of competent jurisdiction determines any provision of this Agreement to be illegal, invalid or unenforceable, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.
- (10) This Agreement may only be amended, supplemented or otherwise modified by written agreement executed by the Debenture Trustee and the Obligor.
- (11) No consent or waiver by the Debenture Trustee in respect of this Agreement is binding unless made in writing and signed by an authorized officer of the Debenture Trustee. Any consent or waiver given under this Agreement is effective only in the specific instance and for the specific purpose for which given. No waiver of any of the provisions of this Agreement constitutes a waiver of any other provision. A failure or delay on the part of the Debenture Trustee in exercising a right under this Agreement does not operate as a waiver of, or impair, any right of the Debenture Trustee however arising. A single or partial exercise of a right on the part of the Debenture Trustee does not preclude any other or further exercise of that right or the exercise of any other right by the Debenture Trustee.
- (12) This Agreement will be governed by, interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

[Signature page follows]

IN WITNESS WHEREOF the Obligor has executed this Agreement.

MPXI MALTA OPERATIONS LIMITED

By: 

Name: W. Scott Boyes

Title: Director

SCHEDULE "A"
RELEVANT JURISDICTIONS AND LOCATIONS

Jurisdiction of Organization: Malta

Registered Address: Wisely House
206 Old Bakery Street
Valletta VLT 1451
Malta

Other Locations: Mriehel Industrial Estate
Factory MRH 012B
Birkirkara
Malta

**THIS IS EXHIBIT "AA" REFERRED TO IN THE
AFFIDAVIT OF JEREMY BLUMER SWORN
THE 25TH DAY OF JULY, 2022**

A handwritten signature in black ink, appearing to be 'TG', is written above a horizontal line.

THOMAS GRAY
A Commissioner for taking affidavits, etc.



Head Office
 319 McRae Avenue 1st Floor, Ottawa, Ontario K1Z 0B9
 T. 1.877.560.0100 F./Tc. 1.866.560.0177
 alterna.ca

Assignment of Term Deposit as Security

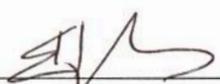
Date: April 12, 2019

Term Deposit(s) Number 258302 – Term 1
\$40,000

The undersigned hereby assigns to Alterna Savings and Credit Union Limited (“Alterna Savings”) the term deposit(s) (including any renewals or extensions of such term deposit(s) (whether or not those renewals or extensions have the original number set out above) (all of which are called the “Term Deposit”)) as security for the due repayment of a loan to (borrower) Canveda INC. account number 258302, dated April 12, 2019 and any renewals or extensions of that loan and any loans in substitution therefore (all of which are called the "Loan").

The undersigned shall retain any right to renew or cancel the Term Deposit at maturity. If the undersigned should decide to cancel the Term Deposit, it is understood that the Loan would have to be repaid in full, or that the undersigned would be required to provide other security acceptable to Alterna Savings.

In the event of default in payment of the Loan, Alterna Savings shall have all of the rights of a secured creditor under the Personal Property Security Act of Ontario (including the right to cancel the Term Deposit and apply the proceeds to the Loan).



 Witness:



 Member’s Signature:

 Witness:

 Member’s Signature:

I acknowledge return of the above captioned security from Alterna Savings.

Date returned to registered owner(s) _____

 Signature

 Signature



Letter of Credit and Indemnity Agreement

This agreement is dated April 4, 2019, between: Alterna Savings and Credit Union Limited ("Alterna Savings"), and Canveda INC

In consideration of Alterna Savings issuing, on behalf of the Member, Irrevocable Letter of Credit No. **258302** in the amount of **Forty Thousand dollars (\$40,000.00)** in favour of **Moneris Solutions Corporation**, the Member and Alterna Savings hereby agree to the following mutual covenants:

1. The Member will reimburse and pay to Alterna Savings on demand, for value on the date of such demand or such other date as Alterna Savings may direct, the amount of each demand or other request for payment made or any other instrument presented for payment or drawn under the Credit or any amendment or renewal thereof (a "Draw"), regardless of the timing of such demands.
2. In addition to the Member's obligation to pay Alterna Savings in accordance with Section 1, the Member will pay to Alterna Savings on demand:
 - (a) interest on all Draws paid by Alterna Savings and not reimbursed to Alterna Savings under Section 1, at the then-current fluctuating variable loan interest rate of Alterna Savings;
 - (b) commissions, fees and charges in respect of issuing the Credit and continuing to be contingently obligated under the Credit, as set by Alterna Savings from time to time and payable at the time of calculation, including
pick one option

an annual administration fee of 1.25% per annum calculated on the Face Amount, payable annually or quarterly in advance for the period from and including the date of the issuance of the Credit to and including the expiry date of the Credit (the "L/C Fee"); and

or

a fee of \$500.00, payable annually in advance for the period from and including the date of issuance of the Credit to and including the expiry date of the Credit (the "L/C Fee") ; and
 - (c) all expenses which Alterna Savings may pay or incur in connection with the Credit.



In the event that the Credit is terminated, cancelled or reduced prior to the scheduled expiry date of the Credit for any reason whatsoever, no part of the LC Fee shall be refunded by Alterna Savings.

3. The Member unconditionally and irrevocably authorizes Alterna Savings to pay any amount of any demand made on Alterna Savings under and in accordance with the terms of the Credit. Any demand or request made upon Alterna Savings for payment under the Credit will be Alterna Savings' sufficient authority to pay thereunder.
4. Until otherwise instructed by the Member in writing, Alterna Savings may, at Alterna Savings' sole discretion, extend or renew the Credit in accordance with its terms without requiring a further authorization or request from the Member and this Letter of Credit and Indemnity Agreement shall apply to such extension or renewal as if the same were the original Credit.
5. This Letter of Credit and Indemnity Agreement will apply to any and all amendments to the Credit and any replacement of the Credit that has been lost, misplaced or destroyed, as if the amended Credit or replacement Credit, as applicable, were the original Credit.

For each Credit renewed, the Member agrees to pay to Alterna Savings the L/C Fee.

6. The obligation of the Member to reimburse Alterna Savings in accordance with Section 1 shall be absolute, unconditional and irrevocable. The Member's obligation shall not be reduced by any Draw paid or acted upon being invalid, insufficient, fraudulent or forged or be subject to any defense or be affected by any right of set off, counter-claim or recoupment which the Member may now or hereafter have against a beneficiary of the Credit, Alterna Savings or any other person for any reason whatsoever, including the fact that Alterna Savings paid a Draw despite:
 - (a) any contrary instructions from the Member;
 - (b) the occurrence of any event including, without limitation, the commencement of legal proceedings to prohibit payment of such Draw; or
 - (c) the issuance of any order of any government agency, governing body or court, whether or not having jurisdiction over the matter.

Any action, inaction or omission taken or suffered by Alterna Savings under or in connection with such Credit or any Draw, if in good faith and in conformity with foreign or Canadian laws, regulations or customs applicable thereto shall be binding upon the Member and shall not create any liability of Alterna Savings to the Member. Without limiting the generality of the foregoing, Alterna Savings may receive, accept or pay as complying with the terms of such Credit, any Draw that is otherwise in order and which may be signed by, or issued to, the administrator or any executor of, or signed by, or issued to, the administrator or any executor of,



or the trustee in bankruptcy of, or the receiver for any property of, or other person or entity acting as the representative or in the place of, a beneficiary of the Credit or its successors and assigns. The Member covenants that it will not take any steps, issue any instructions to Alterna Savings or take any proceedings intended to derogate from the right or ability of Alterna Savings to honour and pay any Draw or Draws.

7. Upon the happening and continuation of any one or more of the following events (each an "Event of Default"):
 - (a) the non-payment when due of any of the Member's obligations to Alterna Savings under this Agreement or otherwise;
 - (b) the failure of the Member to perform or observe any term or covenant under this Agreement;
 - (c) the failure of the Member to pay its debts as they become due or the admission in writing by the Member of its inability to pay its debts generally, the institution with regard to the Member of proceedings respecting bankruptcy, insolvency, liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, composition of it or its debts under any laws relating to a bankruptcy, insolvency or reorganization or relief or debtor or the seeking of entry of an order for relief or the appointment of a receiver, trustee or other similar official for the Member or for any substantial part of its property or the taking of any action by the Member to authorize any of such actions; or
 - (d) the occurrence of any of the events set out in subsections (a), (b), and (c) with respect to any person or entity which has guaranteed any obligations of the Member to the Alterna Savings,

the amount of Alterna Savings' contingent liability (as determined by Alterna Savings) under the Credit as well as any and all other obligations of the Member under this Agreement shall, at the option of Alterna Savings, become due and payable immediately upon demand to the Member, and Alterna Savings' obligation (if any) to issue further Credits shall terminate.

Any amount not paid when demanded shall result in a default under this Letter of Credit and Indemnity Agreement and if the Credit is issued under a credit agreement, a default under that credit agreement.

8. The Member will indemnify Alterna Savings from and against:
 - (a) all loss or damage to Alterna Savings, its affiliates, directors, officers, employees, agents or other representatives arising out of its issuance of, or any other action taken by Alterna Savings, its affiliates, directors, officers, employees, agents or other representatives in connection with the Credit, other than loss or damage resulting from such entity's gross negligence or willful misconduct; and



- (b) all costs and expenses (including lawyers' fees and expenses) of all claims or legal proceedings arising out of Alterna Savings' issuance of the Credit or incident to the collection of amounts owed by the Member hereunder or the enforcement of Alterna Savings' rights hereunder, including, without limitation, legal proceedings related to any court order, injunction or another process or decree restraining or seeking to restrain Alterna Savings from accepting any Draw or paying any amount under a Draw.
9. If Alterna Savings has made payment under a Draw, or if an Event of Default has occurred and is continuing, Alterna Savings may, and the Member hereby authorizes Alterna Savings to, set-off and apply any and all deposits and other indebtedness at any time owing by Alterna Savings to or for the credit of the account of the Member against any and all obligations of the Member now or hereafter existing under this Agreement, irrespective of whether or not Alterna Savings shall have made demand under this Agreement and despite such deposit, indebtedness or obligation being unmatured or contingent. The rights of Alterna Savings under this section are in addition to other rights and remedies which Alterna Savings may have.
10. Alterna Savings may, at any time, demand that the member deposit with Alterna Savings cash in an amount equal to the amount of the undrawn Credit. The Member hereby grants to Alterna Savings a security interest in such cash together with a security interest in the account into which the cash is deposited, as continuing collateral security for the present and future indebtedness and liability of the Member to Alterna Savings under the Credit and under this Letter of Credit and Indemnity Agreement. The Member agrees to provide to Alterna Savings on request such registrations and legal opinions as may be required by Alterna Savings, and to do such further acts and deliver such further instruments and documents as Alterna Savings may reasonably request, the whole at the Member's expense.
11. This Agreement shall be binding upon the Member, its successors and permitted assigns and shall ensure to the benefit of Alterna Savings, its successors, transferees and assigns. The Member shall not assign this agreement without obtaining the prior written consent of Alterna Savings.
12. Any provision hereof which is prohibited or unenforceable will be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.
13. The failure of any party at any time to require performance by the other party of any provision hereof will in no way affect its right thereafter to enforce such provision. Nor will the waiver by any party of any breach of covenant, condition or proviso hereof be taken or held to be a waiver of any further breach of the same covenant, condition or proviso.



14. This agreement will be governed by the laws of the Province of Ontario and the laws of Canada applicable therein.
15. This agreement may not be changed, amended or modified in whole or in part except by instrument in writing signed by the parties hereto or their respective successors or assigns or otherwise as expressly provided herein. If the Credit is amended at the request of the Member, the terms and conditions of this Agreement will apply to the Credit as amended and remain in full force and effect without releasing any party hereto.

In witness whereof the parties hereto have executed this Agreement as of the day and year first written above.

[MEMBER NAME]

Per:


Name: JONATHAN CHU
Title: VP FINANCE + ACCOUNTING
I/we have authority to bind the corporation.

**THIS IS EXHIBIT "BB" REFERRED TO IN THE
AFFIDAVIT OF JEREMY BLUMER SWORN
THE 25TH DAY OF JULY, 2022**

A handwritten signature in black ink, appearing to be 'TG' with a long horizontal stroke extending to the right.

THOMAS GRAY
A Commissioner for taking affidavits, etc.

SUMMARY OF TERMS AND CONDITIONS

CREDIT FACILITY FOR MPX INTERNATIONAL CORPORATION et al.

July 25, 2022

The Lender hereby commits to provide the Credit Facility to the Borrowers upon the terms and subject to the conditions set forth in this binding term sheet (this “**Term Sheet**”). Capitalized terms used herein without express definition will have the same meanings as are assigned to them in Schedule A. Any word defined in or importing the singular number has the same meaning when used in the plural number, and *vice versa*.

Lender(s):	<p>The Persons listed on Schedule “D” hereto and/or other lenders to be designated from time to time without the prior written consent of the Borrowers (collectively, the “Lender”).</p> <p>The deadline for any other Persons to participate as Lender shall be August 11, 2022, unless such deadline is extended in the Lender’s sole discretion.</p>
Borrower(s):	<p>MPX International Corporation, Salus BioPharma Corporation, Canveda Inc., Spartan Wellness Corporation, MCLN Inc., BioCannabis Products Ltd., MPXI Alberta Corporation and The CinG-X Corporation (collectively, the “Borrowers” and each, a “Borrower”). Unless otherwise stated, all obligations of the Borrowers are joint and several.</p>
Guarantors:	<p>MPXI Malta Operations Limited, MPXI Malta Property Limited, Alphafarma Operations Limited, MPXI Malta Holding Limited, MPXI SA Pty Ltd., First Growth Holdings Pty Ltd., MPX Australia Pty Ltd., MPXI Lesotho (Pty) Ltd., Highland Farms (Pty) Ltd., MPXI UK Limited, Holyworld SA, MPXI Labs SA and any other wholly-owned subsidiaries of any Borrower and/or Guarantor.</p> <p>The Guarantors shall execute and deliver Canadian-law governed unsecured guarantees of the obligations of the Borrowers to the Lender pursuant to the Term Sheet, the Security, the DIP Charge and all related documentation.</p>
Currency:	<p>Unless otherwise noted, the currency of the Credit Facility shall be Canadian Dollars (“CAD”).</p>
Credit Facility:	<p>Non-revolving facility in the maximum amount of CA\$2,670,000 or United States dollar equivalent (the “Credit Facility”).</p> <p>The commitments of each Lender are set out in Schedule “D”, as may be amended or supplemented from time to time without the prior consent of the Borrowers.</p>

<p>Advances:</p>	<p>Advances under the Credit Facility (“Advances”) shall be made pursuant to the Approved Budget Forecast. Advances shall be made to the Monitor, in trust, and disbursed to the Borrowers on a weekly basis as necessary.</p> <p>US\$500,000 of the proceeds of the first Advance of the Credit Facility shall be immediately loaned by the Borrowers to Salus International Management Ltd. (“Salus”) to fund the operations of Salus and Salus Bioceutical (Thailand) Co., Ltd. The receivable and any security from Salus shall be assigned by the Borrowers to the Lender on terms satisfactory to the Lender and secured by the DIP Charge.</p>
<p>Use of Proceeds:</p>	<p>Funds advanced under the Credit Facility shall be used to fund the Borrowers’ working capital needs during the CCAA Proceedings.</p>
<p>Interest Rate:</p>	<p>Amounts drawn and outstanding under the Credit Facility will bear interest at a rate per annum equal to 12%.</p> <p>Interest on the principal amount outstanding under the Credit Facility shall be capitalized monthly in arrears and payable on the Termination Date (defined below).</p> <p>Unless otherwise provided for herein, interest on any amount due hereunder shall be calculated daily and not in advance on the basis of a 365-day year. For the purposes of the <i>Interest Act</i> (Canada) in the case of a leap year, the annual interest rate corresponding to the interest calculated on the basis of a 365-day year is equal to the interest rate thus calculated multiplied by 366 and divided by 365. Any principal, interest, or any other amount remaining unpaid at maturity, shall bear interest at the rate provided for herein, being understood that the said interest rate on arrears shall not exceed the maximum rate provided by law.</p>
<p>Commitment Fee:</p>	<p>A fee of 2% of the total amount of the Credit Facility which shall be fully earned upon issuance of the DIP Order and paid on the Termination Date.</p>
<p>Recoverable Expenses:</p>	<p>The Borrowers shall be responsible for all reasonable and documented out-of-pocket fees and expenses incurred by the Lender, including, without limitation, legal fees and disbursements, audit, monitoring and valuation fees, travel and advisor fees incurred in connection with the Credit Facility, the Term Sheet, the CCAA Proceedings and/or the enforcement of the Lender’s rights under the Term Sheet, the DIP Order and the DIP Charge; provided however that the Borrowers shall only be responsible for the fees and expenses of one legal counsel on behalf of the Lender (ie. Dentons LLP) (collectively, the “Recoverable Expenses”). The Recoverable Expenses shall be secured by the DIP Charge and paid by the Borrowers on demand and/or from the proceeds of each Advance.</p>

<p>Term of the Credit Facility:</p>	<p>The term of the Credit Facility will be the earlier of (a) three (3) months from the date of the initial Advance under the Credit Facility (the “Maturity Date”), and (b) any other Termination Date.</p> <p>The Lender shall have the right to terminate the Credit Facility upon the occurrence of an Event of Default in accordance with the terms of this Term Sheet and any applicable orders of the Court.</p> <p>The Credit Facility may be terminated with the consent of both the Lender and the Borrowers, at which time, all accrued interest, principal, fees and Recoverable Expenses owing shall be paid in cash to the Lender on such Termination Date.</p> <p>The date on which all outstanding principal and interest under the Credit Facility shall become due and payable will be termed the “Termination Date” and will be the date which is the earliest to occur of the following:</p> <ul style="list-style-type: none"> (a) Maturity Date; (b) The date on which any Event of Default occurs or is discovered to have occurred in the past and the Lender has terminated the Credit Facility by notice to the Borrowers (as provided herein); (c) Unless consented to by the Lender, the date on which the SISP terminates; (d) The date of a sale of all or a portion of the Collateral pursuant to the SISP and/or Approval and Vesting Order, provided the CCAA Proceedings are concurrently terminated with the consent of the Lender; and (e) Unless waived or otherwise consented to by the Lender, the date on which any of the Obligors undertake a liquidity, reorganization event, or Change of Control.
<p>DIP Charge and Security:</p>	<p>The Credit Facility shall be secured by a super-priority Court-ordered charge (the “DIP Charge”) on all of the assets, undertakings and properties of the Borrowers (the “Collateral”).</p> <p>The DIP Charge shall rank in priority to the Directors’ Charge (which shall not exceed CA\$145,000 or such amount as agreed to by the Lender), but shall be subordinate to the Administration Charge (which shall not exceed CA\$300,000).</p> <p>As security for the indebtedness and obligations of the Borrowers and the Guarantors to the Lender, the Borrowers and Guarantors shall execute and deliver to the Lender, upon request, any mortgages, charges, security agreements and other documentation as may be required by the Lender to secure, perfect and maintain the Lender’s</p>

	<p>first priority interest over the Collateral (collectively, the “Security”), all which shall be in form and content acceptable to the Lender.</p>
<p>Mandatory Repayment:</p>	<p>Subject to the priority of the Administration Charge, if the Borrowers or Guarantors (with the prior written consent of the Lender), (a) dispose, transfer or sell any Collateral outside the ordinary course of business, or (b) sell the shares/equity interests of any wholly owned or non-wholly owned subsidiaries of the Borrowers or Guarantors and/or any minority interests held by the Borrowers or Guarantors, the proceeds of sale (net only of usual closing adjustments), up to the total amount of the Borrowers’ indebtedness to the Lender under the Credit Facility, shall be paid to the Lender and applied against the indebtedness owing to the Lender under the Credit Facility. Any such repayment by the Borrowers shall constitute a permanent reduction of the availability and commitment under the Credit Facility.</p>
<p>Conditions Precedent to First Advance:</p>	<p>The obligation of the Lender to make the Credit Facility available to the Borrowers and to fund the initial Advance under the Credit Facility is subject to and conditional upon satisfaction (or waiver by the Lender) of the following conditions precedent:</p> <ul style="list-style-type: none"> (a) the issuance of the DIP Order and the Initial Order (which may be one and the same Order); (b) the termination of all head office staff, with the exception of those employee(s) who are retained with the Lender’s consent on such terms as the Lender consents to; (c) the cancellation of current director’s and officer’s liability insurance maintained by the Borrowers; (d) each of the representations and warranties made by the Borrowers and the Guarantors to the Lender shall be true and correct in all material respects; (e) no Material Adverse Change since the date of the latest financial statements provided to the Lender (May 30, 2022) other than any Material Adverse Change previously disclosed in writing to the Lender; (f) approval by the Lender of the Approved Budget Forecast; and (g) no Event of Default shall have occurred.
<p>Conditions Precedent to each Subsequent</p>	<p>The following conditions precedent shall be satisfied, or waived by the Lender, prior to each subsequent Advance under the Credit Facility:</p>

<p>Advance under the Credit Facility:</p>	<ul style="list-style-type: none"> (a) delivery to the Lender of an advance request, duly executed by the Borrowers; (b) the issuance of the SISP Order; (c) a notice of disclaimer shall be sent in respect of the lease for the head office location at 5255 Yonge Street, Suite 701, Toronto, Ontario, providing for the disclaimer effective not later than thirty (30) days after the comeback hearing; (d) the engagement by the Borrowers of a Chief Restructuring Officer (“CRO”), approved by the Lender, on terms satisfactory to the Lender, provided that the Lender has requested the retention of a CRO; (e) the DIP Order and Initial Order must not be vacated, stayed, amended (without the Lender’s consent), appealed or otherwise caused to become ineffective; (f) each of the representations and warranties made by the Borrowers and the Guarantors to the Lender shall be true and correct in all material respects; (g) approval by the Lender of the Borrowers’ and Guarantors’ most recent 13- week cash flow forecast, prepared in the form of the Approved Budget Forecast; and (h) no Event of Default shall have occurred.
<p>Covenants of the Borrowers</p>	<p>Each Borrower and Guarantor covenants and agrees with the Lender that it:</p> <ul style="list-style-type: none"> (a) will pay all sums of money when due under the terms of the Term Sheet and the Security; (b) will immediately advise the Lender of any event which constitutes an Event of Default; (c) will file all tax returns which are or will be required to be filed by it; (d) will pay or make provision for the payment of all taxes and source deductions (including interest and penalties) which will become due and payable after the commencement of the CCAA Proceedings; (e) will give the Lender 30 days prior notice in writing of any Change of Control and, unless otherwise expressly waived by

the Lender in writing, the Change of Control will cause a Termination Date to occur;

- (f) will comply in all material respects with all applicable laws, including all Environmental Laws;
- (g) will immediately advise the Lender of any material action requests or material violation notices and hold the Lender harmless from and against any losses, costs or expenses which the Lender may suffer or incur for any environment related liabilities existing now or in the future with respect to it;
- (h) will immediately advise the Lender of any unfavourable change in its financial position which may adversely affect its ability to pay or perform its obligations in accordance with the terms of the Term Sheet and the Security;
- (i) will keep its assets fully insured against such perils and in such manner as would be customarily insured by Persons carrying on a similar business or owning similar assets and, in addition, for any buildings located in areas prone to flood and/or earthquake, will insure and keep fully insured such buildings against such perils;
- (j) will, at reasonable times and upon reasonable notice (provided that upon the occurrence of an Event of Default, the Lender is permitted to do the following at any time and without notice) permit the Lender or its representatives, during normal business hours, subject to any applicable laws governing the Borrowers' business, (i) to visit and inspect a Borrower's premises, properties and assets and examine and obtain copies of such Borrower's records or other information, and (ii) to discuss such Borrower's affairs with the auditors (if any) of such Borrower (in the presence of such Borrower's representatives as it may designate). Each Borrower hereby authorizes and directs any such third party to provide to the Lender or its representatives all such information, records or documentation reasonably requested by the Lender;
- (k) except for Permitted Encumbrances, will not, without the prior written consent of the Lender, grant, create, assume or suffer to exist any Lien or other encumbrance affecting any of its properties, assets or other rights;

	<ul style="list-style-type: none">(l) not incur any borrowings or other indebtedness, obligations or liabilities, other than Permitted Indebtedness; (m) will not, without the prior written consent of the Lender, sell, transfer, convey, lease or otherwise dispose of any of its assets, properties or undertakings other than in the ordinary course of business and on arm's-length, commercially reasonable terms; (n) will not, without the prior written consent of the Lender, sell the shares/equity interests of any wholly owned or non-wholly owned subsidiaries of the Borrowers or Guarantors and/or any minority interests held by the Borrowers or Guarantors; (o) will not, without the prior written consent of the Lender, provide any guarantees, financial assistance or otherwise provide for, on a direct, indirect or contingent basis, the payment of any monies or performance of any obligations by any other Person, other than Permitted Indebtedness; (p) will not, without giving the Lender 15 days prior notice in writing and obtaining the Lender's written consent, merge, amalgamate, or otherwise enter into any other form of business combination with any other Person. In the event the Lender gives its consent, it will cause any such resulting Person to become a borrower or guarantor, as applicable, hereunder and to grant such security and enter into such agreements as the Lender may require; (q) will not pay any dividends, other corporate distributions, interest or principal on any secured or unsecured debt, other than Permitted Indebtedness and as contemplated by the Approved Budget Forecast; (r) will not make any disbursements or provide any funding to any entity which is not an applicant in the CCAA Proceedings or a Guarantor; (s) will not acquire or move any Collateral to any jurisdiction outside the Province of Ontario or any other jurisdiction where the Lender has perfected its Security over such Collateral without first executing and delivering all such security and other documentation and completing all registrations, recordings and filings to grant in favour of the Lender a first-ranking security interest in such Collateral and
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	<p>to render effective the security interest granted thereby, all in form and substance satisfactory to the Lender;</p> <ul style="list-style-type: none">(t) shall notify the Lender within one (1) Business Day of any Account Debtor notifying such Borrower that they are contesting any invoice;(u) will fully cooperate with each party conducting any field exam or due diligence on behalf of the Lender and will permit and reimburse the Lender for all costs associated with any appraisals;(v) will provide information upon request by the Lender relating to any vendor number or similar identification of such Obligor by its end customers and/or suppliers;(w) will pay only those expenditures set out in the Approved Budget Forecast, or such other expenditures the Lender and Monitor consent to in writing;(x) will provide to the Lender on a weekly basis all payments, disbursements and transfers of money proposed to be made by the Borrowers during the following week and will make only those payments, disbursements and transfers that are set out in the Approved Budget Forecast or otherwise consented to by the Lender;(y) ensure that, as of any date, their aggregate net cash outflows do not exceed 10% of the Approved Budget Forecast;(z) not create or grant any security (other than the DIP Charge or pursuant to the Initial Order) over any of the Collateral, whether ranking in priority to, <i>pari passu</i> or subordinate to the DIP Charge;(aa) provide the Lender with any financial or other information reasonably requested by the Lender; and(bb) promptly on the receipt by any Borrower of the same, give the Lender a copy of any notice of motion, pleading or application to vary, supplement, revoke, terminate or discharge the Initial Order or DIP Order including (without limitation) any application to the Court for the granting of security that will or may have priority over the DIP Charge, or otherwise for the variation of the priority of the DIP Charge.
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<p>Reporting Covenants</p>	<p>Each Borrower and Guarantor covenants and agrees that it will provide or cause to be provided to the Lender, all of the following, in form and substance satisfactory to the Lender:</p> <ul style="list-style-type: none"> (a) Quarterly, within 30 days after each calendar quarter, financial reporting from each of the Borrowers and Guarantors on both a consolidated and unconsolidated basis; (b) Monthly, within 30 days after the end of each calendar month; <ul style="list-style-type: none"> (i) internal management prepared financial statements of the Obligors as at the end of such calendar month on a consolidated and unconsolidated basis; and (ii) a trial balance of the Obligors as at the end of such calendar month; (c) Monthly, within 10 days after the end of each calendar month, proof of all post-filing payments required to be made on all taxes owing by the Obligors; (d) Monthly, within 2 Business Days after the end of each calendar month; <ul style="list-style-type: none"> (i) bank statements of the Obligors; (ii) a cash reconciliation, reconciling all purchases, repayments, chargebacks, write-offs and any other transactions covering the prior calendar month; (e) Weekly, and specifically on the Wednesday of each week, a 13-week cash forecast of the Borrowers and the Guarantors covering the following 13-weeks from the time of reporting such forecast and a cash flow variance analysis; (f) As requested, copies of all original final purchase orders, invoices, supply agreements etc.; and (g) Other items as the Lender may reasonably request from time to time.
<p>Representations and Warranties</p>	<p>Each Borrower and Guarantor represents and warrants (subject to obtaining the DIP Order, where applicable) to the Lender, upon which the Lender rely on in entering this Term Sheet that:</p>

- (a) each Borrower and Guarantor is a corporation duly incorporated and validly existing under the laws of its jurisdiction of incorporation and is duly qualified, licensed or registered to carry on business under the laws applicable to it in all jurisdictions in which the nature of its assets or business makes such qualification necessary;
- (b) each Borrower and Guarantor has all requisite corporate power and authority to (i) own and operate its properties and assets and to develop, own and operate its business and (ii) enter into and perform its obligations under this Term Sheet and the Security to which it is a party;
- (c) the execution and delivery by each Borrower and Guarantor of this Term Sheet and the Security to which it is a party and the performance by each Borrower of its respective obligations hereunder and thereunder have been duly authorized by all necessary corporate action and no authorization under any applicable law, and no registration, qualification, designation, declaration or filing with any governmental authority, is or was necessary therefor, other than filings which may be made to register or otherwise record the DIP Charge;
- (d) this Term Sheet and each of the Security to which it is a party has been duly executed and delivered by each Borrower and Guarantor and constitutes a legal, valid and binding obligation of each Borrower and Guarantor, enforceable against it in accordance with its terms, subject only to any limitation under applicable laws relating to (i) bankruptcy, insolvency, reorganization, moratorium or creditors' rights generally and (ii) the discretion that a court may exercise in the granting of equitable remedies;
- (e) the Collateral (i) is owned by or licensed to the Borrowers and the Guarantors and is only located at the locations disclosed in writing to the Lender, (ii) has not been sold, leased or otherwise disposed of other than inventory in the ordinary course of business and (iii) is not subject to any rights of any person or entity other than Permitted Encumbrances;
- (f) the execution and delivery by each Borrower and Guarantor of this Term Sheet and the Security to which it is a party and the performance by each Borrower of its obligations hereunder and thereunder and compliance with the terms, conditions and provisions hereof and thereof, will not conflict

	<p>with or result in a breach of (i) its constating documents or by-laws; (ii) the material contracts to which it is party, other than the Debenture Indenture or (iii) any applicable law;</p> <p>(g) all statements (whether financial or otherwise), information, reports, budgets, forecasts and projections made available by a Borrower or anyone on its behalf to the Lender are true, complete and accurate in all material respects and do not omit any information necessary to make them true, complete and accurate in all material respects;</p> <p>(h) the business operations of each Borrower and Guarantor has been and will continue to be conducted in material compliance with all laws of each jurisdiction in which business has been or is being carried on;</p> <p>(i) each Borrower and Guarantor has obtained all licenses and permits required for the operation of its business, which licenses and permits remain in full force and effect. No proceedings have been commenced or, to the knowledge of the Borrowers, threatened to revoke or amend any of such licenses or permits;</p> <p>(j) no Borrower or Guarantor is aware of any person with a secured claim against any Borrower or the Collateral except for the Permitted Encumbrances and the relevant tax authorities and each Borrower is not aware of any unpaid deductions at source owing to the relevant tax authorities;</p> <p>(k) except as disclosed in writing to the Lender, each Borrower and Guarantor has filed or caused to be filed all tax returns and reports which are required to have been filed and has paid or caused to be paid all taxes required to have been paid by it, except taxes that are being contested in good faith by appropriate proceedings and for which adequate cash reserves are being maintained;</p> <p>(l) except as disclosed in writing to the Lender, other than the CCAA Proceedings, there are no material actions, suits or proceedings (including any tax-related matter) by or before any arbitrator or governmental authority or by any other person pending against or, to the knowledge of each Borrower and Guarantor, threatened against or affecting the Borrowers;</p> <p>(m)(i) each Borrower and Guarantor is and has been in material compliance with all applicable environmental laws, including obtaining, maintaining and complying with all permits required by any applicable environmental law, (ii) no Borrower or Guarantor</p>
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is party to, and no real property currently or previously owned, leased or otherwise occupied by or for any Borrower or Guarantor is subject to or the subject of, any contractual obligation or any pending or, to the knowledge of the Borrowers and Guarantors, threatened order, action, investigation, suit, proceeding, audit, claim, demand, dispute or notice of violation or of potential liability or similar notice under or pursuant to any environmental law which could reasonably be expected to result in a remedial obligation having a Material Adverse Change, (iii) no encumbrance in favour of any governmental authority securing, in whole or in part, environmental liabilities has attached to any property of the Borrowers or the Guarantors and no facts, circumstances or conditions exist that could reasonably be expected to result in any such encumbrance attaching to any such property, (iv) no Borrower or Guarantor has caused or suffered to occur a release of any hazardous substances or conditions creating any potential for such a release at, to or from any real property other than in compliance with environmental laws and except when failure to do so could not reasonably be expected to have a Material Adverse Change, (v) no Borrower has engaged in operations that, and no facts, circumstances or conditions exist that, in the aggregate, would have a reasonable likelihood of resulting in material environmental liabilities, and (vi) each Borrower has made available to the Lender copies of all existing environmental reports, reviews and audits and all documents pertaining to actual or potential environmental liabilities, in each case to the extent such reports, reviews, audits and documents are in its possession, custody or control;

(n) each Borrower and Guarantor maintains insurance policies and coverage which (i) is sufficient for compliance with law and all material agreements to which a Borrower is a party and (ii) provide adequate insurance coverage in at least such amounts and against at least such risks as are usually insured against in the same general area by persons engaged in the same or similar business to the assets and operations of the Borrowers and Guarantors; and

(o) all information provided by or on behalf of the Borrowers to the Lender for the purposes of or in connection with this Term Sheet, the Security or any transaction contemplated herein is true and accurate in all material respects on the date as of which such information is dated or certified and remains true as of the date provided and is not incomplete by omitting to state any fact necessary to make such information (taken as a whole) not materially misleading at such time in light of the circumstances under which such information was provided.

<p>Remedies and Enforcement</p>	<p>Following the occurrence of an Event of Default, the Lender shall have the right to immediately cease making Advances to the Borrowers and, upon four (4) Business Days written notice to the Borrowers and the Monitor, the Lender shall have the right to:</p> <ul style="list-style-type: none"> (a) enforce the DIP Charge and realize on the Collateral and any other property secured by the DIP Charge; (b) exercise the rights and powers of a secured lender and mortgagee pursuant to the <i>Personal Property Security Act</i> (Ontario), the <i>Mortgages Act</i> (Ontario) or any legislation of similar effect; (c) apply to the Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Borrowers and for the appointment of a trustee in bankruptcy of the Borrowers; and (d) exercise all such other rights and remedies available to the Lender pursuant to this Term Sheet, the Initial Order, the DIP Order, the Security and/or any other order of the Court or applicable law. <p>No failure or delay on the part of the Lender in exercising any of its rights and remedies shall be deemed to be a waiver of any kind.</p>
<p>Target Closing Date</p>	<p>The target date for the closing of this Credit Facility is based on a verbally indicated date of on or before July 25, 2022. The Borrowers will seek to obtain the Initial Order and DIP Order (which may form one and the same Order) at a hearing on or before July 25, 2022 on notice to the service list in the CCAA Proceedings (which service list shall be provided to the Lender for its review) and such other parties as the Borrowers or the Lender consider appropriate.</p>
<p>Amendment</p>	<p>This Term Sheet may not be amended nor waived except by an instrument in writing signed by each of the Borrowers and the Lender; provided, however, that Schedule “D” may be amended or supplemented without the consent of the Borrowers or Guarantors.</p>
<p>Successors and Assigns; Enurement</p>	<p>This Term Sheet shall be binding upon and enure to the benefit of the Lender and the Borrowers and their respective successors and permitted assigns.</p>
<p>Assignment</p>	<p>No Borrower or Guarantor shall assign any of its rights or obligations under this Term Sheet or the Security to any Person, without the prior written consent of the Lender. The Lender may assign, sell or participate its rights or obligations or any part thereof with respect to this Term Sheet, any of the Security or any related documentation,</p>

	(a) at any time, to any Debentureholder or an affiliate of a Debentureholder in an increment of not less than \$100,000, without the prior written consent of the Borrowers, and (b) upon an Event of Default, to any Person, without the prior written consent of the Borrowers.
Governing Law	This Term Sheet shall be governed and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, and the Lender and each of the Borrowers irrevocably attorns to the exclusive jurisdiction of the courts of Ontario.
Execution in Counterparts	This Term Sheet may be executed in counterparts, whether by original copy or facsimile or other electronic means, each of which shall be deemed to be an original and all of which, taken together, shall constitute one and the same instrument.
Further Assurances	The Borrowers will, at their own expense and promptly on demand by the Lender at any time, do such acts and things and execute and deliver such documents as the Lender may reasonably request to give effect to any other provisions set out hereunder.
Expiry	If the foregoing correctly sets forth our agreement, please indicate your acceptance of the terms hereof by returning to the Lender an executed counterpart to this Term Sheet not later than 5:00 p.m. (Toronto time) on July 25, 2022. The Lender's commitments and agreements herein will expire at such time in the event the Lender has not received such executed counterpart from the Borrowers in accordance with the immediately preceding sentence.

[Signature Page Follows]

Lender:

DAVID TAYLOR

DocuSigned by:
David Taylor
0788B3D46F20415...

Lender:

ALASTAIR CRAWFORD

Lender:

BRAHMA FINANCE LIMITED

DocuSigned by:
Nick Barham
Per: C0E65E089C1E404...

Per: _____

Lender:

BROUGHTON LIMITED

Per: _____

Per: _____

Lender:

DAVID TAYLOR

Lender:

ALASTAIR CRAWFORD



Lender:

BRAHMA FINANCE LIMITED

Per: _____

Per: _____

Lender:

BROUGHTON LIMITED

Per: _____

Per: _____

Lender:

DAVID TAYLOR

Lender:

ALASTAIR CRAWFORD

Lender:

BRAHMA FINANCE LIMITED

Per: _____

Per: _____

Lender:

BROUGHTON LIMITED
FOR OAK DIRECTOR LIMITED

Per:  Lucy Smith

Per:  Tom Ripston

Accepted this 25th day of July, 2022

Borrower:

MPX INTERNATIONAL CORPORATION

Per: _____

Per: _____

Borrower:

SALUS BIOPHARMA CORPORATION

Per: _____

Per: _____

Borrower:

CANVEDA INC.

Per: _____

Per: _____

Borrower:

SPARTAN WELLNESS CORPORATION

Per: _____

Per: _____

Borrower:

MCLN INC.

Per: _____

Per: _____

Borrower:

MPXI ALBERTA CORPORATION

Per: _____

Per: _____

Borrower:

THE CING-X CORPORATION

Per: _____

Per: _____

Borrower:

BIOCANNABIS PRODUCTS LTD.

Per: _____

Per: _____

Guarantor:

MPXI MALTA OPERATIONS LIMITED

Per: _____

Per: _____

Guarantor:

MPXI MALTA PROPERTY LIMITED

Per: _____

Per: _____

Guarantor:

ALPHAFARMA OPERATIONS LIMITED

Per: _____

Per: _____

Guarantor:

MPXI MALTA HOLDING LIMITED

Per: _____

Per: _____

Guarantor:

MPXI SA PTY LTD.

Per: _____

Per: _____

Guarantor:

FIRST GROWTH HOLDINGS PTY LTD.

Per: _____

Per: _____

Guarantor:

MPX AUSTRALIA PTY LTD.

Per: _____

Per: _____

Guarantor:

MPXI LESOTHO (PTY) LTD.

Per: _____

Per: _____

Guarantor:

HIGHLAND FARMS (PTY) LTD.

Per: _____

Per: _____

Guarantor:

MPXI UK LIMITED

Per: _____

Per: _____

Guarantor:

HOLYWORLD SA

Per: _____

Per: _____

Guarantor:

MPXI LABS SA

Per: _____

Per: _____

**SCHEDULE A
DEFINED TERMS**

“Account Debtor”	means any party which owes any amount under invoices owing to the Borrowers or any Borrower.
“Administration Charge”	means a first-ranking super-priority Court-ordered charge against the assets of the Borrowers securing the fees of the Monitor, counsel to the Monitor, and counsel to the Borrowers.
“Approval and Vesting Order”	means an order (or reverse vesting order) of the Court approving the sale of all or substantially all of the assets, properties and undertakings of any of the Borrowers.
“Approved Budget Forecast”	means the budget forecast provided by the Borrowers to the Lender dated, July 24, 2022, and attached hereto as Schedule “C”, as may be subsequently amended and approved by the Monitor and the Lender.
“Business Day”	means any day that is not a Saturday or Sunday or a day recognized as a statutory holiday in the Province of Ontario, Canada or the country of Canada. If a required payment falls on a non-business day, then such payment shall be made on the next Business Day.
“CCAA”	means the <i>Companies’ Creditors Arrangement Act</i> (Canada).
“CCAA Proceedings”	means the proceedings to be commenced by the Borrowers pursuant to the CCAA.
“Change of Control”	means either (i) MPX International Corporation ceases to Control the other Obligors, (ii) the assignment, sale, transfer or other disposition of (A) all or substantially all of the assets of any of the Obligors, (B) any material business of any Obligor, (C) a material portion of the Collateral (in each case whether in a single transaction or a series of transactions), or (iii) any transaction or series of transactions whereby any Person or group of Persons, acting jointly or otherwise in concert, acquire the right, by contract or otherwise, to direct the management and activities of any Borrower.
“Contaminant”	means any pollutant, dangerous substance, liquid waste, industrial waste, hazardous material, hazardous substance or contaminant including any of the foregoing as defined in any Environmental Law.
“Control”	means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise, and “Controlling” and “Controlled” have meanings correlative thereto.
“Court”	means the Ontario Superior Court of Justice (Commercial List).

“Debentureholders”	has the meaning ascribed thereto in the Debenture Indenture.
“Debenture Indenture”	means the Debenture Indenture, dated June 30, 2020, between MPX International Corporation and AST Trust Company Canada as amended by: (i) the Supplemental Debenture Indenture dated September 20, 2020; (ii) the Second Supplemental Debenture Indenture dated December 18, 2020; (iii) the Third Supplemental Debenture Indenture dated June 24, 2021; and (iv) the Fourth Supplemental Debenture Indenture dated May 5, 2022.
“DIP Order”	means an order of the Court approving the Term Sheet and Credit Facility and granting the DIP Charge, in form and substance satisfactory to the Lender and its counsel.
“Directors’ Charge”	means a super-priority Court-ordered charge against the assets of the Borrowers securing the obligations of the directors and officers of the Borrowers.
“Environmental Activity”	means any activity, event or circumstance in respect of a Contaminant, including, without limitation, its storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation, or its release into the natural environment, including movement through or in the air, soil, surface water or groundwater.
“Environmental Laws”	means all applicable laws relating to the environment or occupational health and safety, or any Environmental Activity.
“Event of Default”	means the occurrence of any one or more of the following: <ul style="list-style-type: none"> (a) if any Borrower or Guarantor fails to comply with any covenant, condition precedent, obligation, or other term or condition of the Term Sheet or Security; (b) if any Borrower fails to pay any amount due hereunder when due and payable; (c) if any Borrower or Guarantor ceases or threatens to cease carrying on its business or files a petition or notice for the winding up, dissolution or liquidation of any Borrower or Guarantor, or an order shall be made or a resolution shall be passed for the winding up, dissolution or liquidation of any Borrower or Guarantor; (d) if the Borrowers fail to meet any of the Milestone Dates; (e) if a Change of Control occurs;

- (f) any of the Collateral is seized, levied upon, subject to execution, garnishment, distress or similar process;
- (g) excluding amounts that are subject to the stay of proceedings under the Initial Order, if any Borrower permits any sum which has been admitted as due by such Borrower or is not disputed to be due by it and which forms or is capable of being made a charge on any Collateral to remain unpaid after proceedings have been taken to enforce such charge;
- (h) if any representation or warranty made by any Borrower or Guarantor or any of their officers, employees or agents to the Lender shall be false or inaccurate in any material respect;
- (i) if any Borrower or Affiliate (as defined in the *Canada Business Corporations Act*) of any Borrower engages in business activities related to Cannabis within the United States of America so long as such activity is not legal in the United States of America;
- (j) if any Borrower defaults in the observance or performance of any provision relating to post-filing indebtedness or liability of such Borrower to any Person;
- (k) if there occurs any event or circumstance that results in, or could reasonably be expected to result in, a Material Adverse Change;
- (l) if any amount of proceeds of any Collateral is deposited to any bank account of the Borrowers or the Guarantors that is not subject to the DIP Charge or Security;
- (m) if any license, permit or approval required by any law, regulation or governmental policy or any governmental authority for the operation by any Borrower or Guarantor of its business shall be withdrawn, materially altered in a manner detrimental to the business of such license holder, or cancelled;
- (n) if a final judgment, execution, writ of seizure and sale, sequestration or decree for the payment of money in an amount, individually or in the aggregate, of at least \$1,500,000 (not covered by independent third-party insurance as to which liability has been accepted by such insurance carrier) shall have been obtained or entered against a Borrower, unless such judgment, execution, writ of seizure and sale, sequestration or decree is and remains vacated, discharged or stayed pending appeal within the applicable appeal period;

- (o) the seeking or support by any of the Obligors of any court order (in the CCAA Proceedings or otherwise) which is adverse or potentially adverse to the interests of the Lender;
- (p) the termination or expiry (in whole or in part) of the stay of proceedings in the CCAA Proceedings or the issuance of any court order lifting or terminating (in whole or in part) the stay of proceedings in the CCAA Proceedings;
- (q) the issuance of any court order discontinuing, dismissing or otherwise terminating the CCAA Proceedings;
- (r) any of the Borrowers file a motion or other pleading seeking the termination, discontinuance or dismissal of the CCAA Proceedings;
- (s) the issuance of any court order staying, reversing, vacating or modifying the terms of the Initial Order, the DIP Order (if separate from the Initial Order), the Term Sheet, the Credit Facility or the DIP Charge without the Lender's consent;
- (t) in the event that the Orders are stayed pending appeal, the service or filing of a notice of appeal or application for leave to appeal or the granting of leave to appeal in respect of the Initial Order or the DIP Order (if separate from the Initial Order);
- (u) the issuance of a decision or order allowing an appeal, in whole or in part, in respect of the Initial Order or the DIP Order (if separate from the Initial Order);
- (v) an event occurs that will, in the opinion of the Lender, materially impair a Borrower's financial condition, operations or ability to perform under the Term Sheet, the Initial Order, the DIP Order (if separate from the Initial Order) or any other order of the Court;
- (w) the appointment of a receiver, interim receiver, receiver and manager or trustee in bankruptcy in respect of any of the Borrowers, any of the Guarantors or any of the Collateral;
- (x) the failure by any Borrower to comply with the Initial Order, the DIP Order (if separate from the Initial Order), the SISP Order or any other order of the Court issued in the CCAA Proceedings;
- (y) any of the Borrowers or the Guarantors become subject to a proceeding under the *Bankruptcy and Insolvency Act* (Canada) or any similar law or legislation in any other jurisdiction;

	<p>(z) save and except for any Administration Charge, the entry of an order of any court granting or approving the granting of any Lien that is <i>pari passu</i> with or senior to the liens, charges and claims of the Lender securing the Credit Facility, including the DIP Charge, or any way affecting the relative priority of the DIP Charge;</p> <p>(aa) the bringing of a motion, the taking of any action or the filing of a plan of reorganization to obtain additional post-filing financing, grant any Lien upon or affecting the Collateral, or any other action adverse to the Lender;</p> <p>(bb) the filing of any plan of reorganization, arrangement or liquidation to which the Lender does not consent and which does not provide for the immediate repayment in full of the Lender;</p> <p>(cc) the issuance of an order sanctioning a plan of reorganization or arrangement that does not contain a provision for termination of all financing commitments under the Term Sheet and any ancillary documents and the repayment in full of all obligations hereunder as of the effective date of such plan;</p> <p>(dd) the commencement of any claim, action, proceeding, application, motion, defense or other contested matter the purpose of which is to seek or the result of which would be to obtain any order, judgment, determination, declaration or similar relief, (i) invalidating, setting aside, avoiding, or subordinating the obligations of the Borrowers under the Credit Facility, the DIP Charge or its priority, (ii) for monetary, injunctive or other relief against the Lender or the Collateral; or (iii) preventing, hindering or otherwise delaying the exercise by the Lender of any of its rights and remedies hereunder, pursuant to the DIP Order or under applicable law, or the enforcement or realization by the Lender against any of the Collateral; or</p> <p>(ee) the entry of an order avoiding or requiring the disgorgement of any payments made on account of the obligations owing to the Lender under the Term Sheet or Security.</p>
“Initial Order”	means an order of the Court commencing proceedings under the CCAA in respect of the Borrowers, in form and substance satisfactory to the Lender and its counsel
“Lien”	means any security interest, mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or otherwise), charge against or interest in property or other priority or preferential arrangement of any kind or nature whatsoever, in each

	case to secure payment of a debt or performance of an obligation, including any conditional sale or any sale with recourse.
“Material Adverse Change”	means any event, circumstance or change that could be expected to result, individually or in the aggregate, in a material adverse effect, in any respect, on (a) the legality, validity or enforceability of the Term Sheet, the DIP Charge or the Security or any of the security interests provided for thereunder, (b) the right or ability of a Borrower to perform any of its obligations under any of the Term Sheet, the Initial Order, the DIP Order or the Security, or to consummate the transactions contemplated under Term Sheet, DIP Order or Security, (c) the financial condition, assets, business or prospects of any of the Borrowers, (d) any Material Permit, (e) a Borrower’s ability to retain, utilize, exploit or comply with its obligations under any Material Permit, or (f) the rights or remedies of the Lender under the Term Sheet, the DIP Charge or the Security; provided that the commencement and continuation of the CCAA Proceedings will not constitute a Material Adverse Change.
“Material Permits”	means all cannabis licences issued by Health Canada to the Borrowers and all other licenses issued by any governmental authority to the Borrowers which are required to legally conduct their business.
“Milestone Dates”	means the dates set out in Schedule “B” hereto.
“Monitor”	means KSV Restructuring Inc., in its capacity as monitor appointed by the Court pursuant to the Initial Order, and any successor thereto.
“Obligors”	means the Borrowers and Guarantors.
“Parties”	means the Lender, the Borrowers and the Guarantors and the term “Party” shall mean any one of such Parties.
“Permitted Encumbrances”	means, collectively, (i) Liens granted in favor of the Lender pursuant to the Term Sheet, the Security and/or the DIP Charge, (ii) Liens granted in favour of the Debentureholders pursuant to the Debenture Indenture; (iii) existing equipment leases; (iv) reservations, limitations, provisos and conditions expressed in any original grant from the Crown or other grants of real or immovable property, or interests therein, that do not materially affect the use of the affected land for the purpose for which it is used by that Person; (v) easements, rights of way and rights in the nature of easements (including for railways, sidewalks, public ways, sewers, drains, gas, steam and water mains or electric light and power, or telephone and telegraph conduits, poles, wires and cables) that do not materially impair the use of the affected land for the purpose for which it is used by that Person; (vi) the right reserved to or vested in any governmental authority by the terms of any lease, licence, franchise, grant or permit acquired by that Person or by any statutory provision to terminate any such lease, licence, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof; (vii) security given

	to a public utility or any governmental authority when required by such utility or authority in connection with the operations of that Person in the ordinary course of its business; (viii) the Directors' Charge and Administration Charge; and (ix) Lien in favor of Alterna Savings and Credit Union in respect of term deposit in the amount of \$40,000 as security for letter of credit.
"Permitted Indebtedness"	means (i) intercompany indebtedness owing by any Obligor to any other Obligor, (ii) existing indebtedness owing pursuant to (A) the Debenture Indenture; and (B) equipment leases.
"Person"	means an individual, a corporation, a limited partnership, a general partnership, a trust, a joint stock company, a joint venture, an association, a syndicate, a bank, a trust company, a governmental authority and any other legal or business entity.
"SISP"	means the sales and investment solicitation process to be undertaken by the Borrowers and the Guarantors pursuant to the SISP Order.
"SISP Order"	means an order of the Court approving the SISP in respect of the assets, undertakings and properties of the Borrowers, in form and substance satisfactory to the Lender and its counsel.

**SCHEDULE B
MILESTONE DATES**

The following events are to occur by the dates set forth below, unless otherwise agreed to by the Lender in writing:

July 25, 2022	Issuance of Initial Order and DIP Order by the Court
August 4, 2022	Issuance of SISP Order and Amended and Restated Initial Order approving the full amount of the DIP Charge
September 8, 2022	Bid Deadline
September 12, 2022	Selection of successful bid(s)
September 26, 2022	Issuance of Approval and Vesting Order(s)
September 30, 2022	Closing of sale transaction(s) approved by Approval and Vesting Order(s) (subject to extension to a date consented to by the Lender in the event the sole outstanding condition precedent to closing is regulatory approval)

SCHEDULE C
APPROVED BUDGET FORECAST

MPX International Corporation, BioCannabis Products Ltd., Canveda Inc., The CinG-X Corporation, Spartan Wellness Corporation, MPXI Alberta Corporation, MCLN Inc. and Salus BioPharma Corporation (collectively, the "Applicants")

Projected Statement of Cash Flow
For the Period Ending October 21, 2022
(Unaudited; \$CAD)

	Notes	Weeks Ending												Total	
		29-Jul-22	5-Aug-22	12-Aug-22	19-Aug-22	26-Aug-22	2-Sep-22	9-Sep-22	16-Sep-22	23-Sep-22	30-Sep-22	7-Oct-22	14-Oct-22		21-Oct-22
Receipts															
	1														
Retail Sales	2	-	-	278,302	92,522	215,000	235,000	275,000	275,000	275,000	275,000	275,000	302,500	310,063	2,808,387
HST Refund	3	-	-	100,000	-	-	-	-	-	-	-	-	-	-	100,000
Total Receipts		-	-	378,302	92,522	215,000	235,000	275,000	275,000	275,000	275,000	275,000	302,500	310,063	2,908,387
Disbursements															
<i>Operating Costs:</i>															
Excise Taxes	4	-	-	-	-	(89,014)	-	-	-	(266,282)	-	-	-	-	(355,296)
HST Payments	3	-	-	-	-	-	-	-	-	-	-	-	-	(100,000)	(100,000)
Cost of Goods Purchased for Resale	5	(170,116)	(158,996)	(225,000)	(320,000)	(1,317)	(51,448)	(6,448)	(351,448)	(41,448)	(130,683)	(131,185)	(130,692)	(140,440)	(1,859,221)
Operating Expenses	6	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(455,000)
Payroll	7	(192,013)	-	(96,000)	(41,013)	(111,000)	-	(96,000)	-	(41,013)	(116,000)	-	(96,899)	(41,013)	(830,951)
Rent	8	(4,668)	(21,000)	(14,952)	-	(4,668)	-	-	(14,952)	-	(14,869)	-	(14,952)	-	(90,060)
Utilities		(15,379)	-	-	(28,379)	-	-	-	(23,000)	-	-	-	(23,000)	(5,379)	(95,137)
Insurance		(22,860)	(10,516)	(470)	(4,654)	-	(10,516)	(470)	(4,654)	-	-	(10,516)	(470)	(4,654)	(69,780)
Contingency		(10,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(250,000)
Salus International Management Ltd.	9	(650,000)	-	-	-	-	-	-	-	-	-	-	-	-	(650,000)
Total Operating Disbursements		(1,100,036)	(245,512)	(391,422)	(449,046)	(260,999)	(116,964)	(157,918)	(449,054)	(403,743)	(316,552)	(196,701)	(321,012)	(346,486)	(4,755,446)
Net Cash Flow Before the Undernoted		(1,100,036)	(245,512)	(13,120)	(356,524)	(45,999)	118,036	117,082	(174,054)	(128,743)	(41,552)	78,299	(18,512)	(36,424)	(1,847,058)
Restructuring Costs															
	10	-	-	(300,000)	-	-	(250,000)	-	-	-	-	(300,000)	-	-	(850,000)
Net Cash Flow		(1,100,036)	(245,512)	(313,120)	(356,524)	(45,999)	(131,964)	117,082	(174,054)	(128,743)	(41,552)	(221,701)	(18,512)	(36,424)	(2,697,058)
Opening Cash Balance															
		169,000	268,964	23,452	560,333	203,809	157,810	225,846	342,928	168,874	340,131	298,579	196,878	178,366	169,000
Net cash flow															
		(1,100,036)	(245,512)	(313,120)	(356,524)	(45,999)	(131,964)	117,082	(174,054)	(128,743)	(41,552)	(221,701)	(18,512)	(36,424)	(2,697,058)
DIP Financing															
	11	1,200,000	-	850,000	-	-	200,000	-	-	300,000	-	120,000	-	-	2,670,000
Closing Cash Balance															
		268,964	23,452	560,333	203,809	157,810	225,846	342,928	168,874	340,131	298,579	196,878	178,366	141,942	141,942
DIP Loan Balance, excluding accrued interest and DIP fees															
		1,200,000	1,200,000	2,050,000	2,050,000	2,050,000	2,250,000	2,250,000	2,250,000	2,550,000	2,550,000	2,670,000	2,670,000	2,670,000	2,670,000

Purpose and General Assumptions

1. The purpose of the projection is to present a cash flow forecast of the Applicants and certain of the Non-Applicant subsidiaries (together, the "Companies") for the period July 25, 2022 to October 21, 2022 (the "Period") in respect of their proceedings under the Companies' Creditors Arrangement Act ("CCAA"). The cash flow forecast assumes that the Applicants file for protection under the CCAA on July 25, 2022.

The cash flow projection has been prepared based on most probable assumptions.

Hypothetical Assumptions

2. Represents retail sales of all cannabis related-products.

Probable Assumptions

3. The Applicants file harmonized sales tax returns on a quarterly basis. The Applicants have advised that they owe approximately \$200,000 in sales tax arrears. It is assumed that the arrears will not be paid during these proceedings.
4. Represents monthly excise tax remittances paid in the normal course. Canveda Inc. owes approximately \$500,000 in excise tax arrears. It is assumed that the arrears will not be paid during the CCAA proceedings.
5. Represents cannabis and cannabis-related product purchases for the purpose of resale.
6. Operating expenses include product testing, packaging and shipping and other sundry expenses.
7. Includes payroll of the Applicants, and certain of the Companies' subsidiaries located in Malta. Assumes the termination of all head office employees other than two individuals.
8. Occupancy costs include rent for the Applicants' leased premises in Toronto, Ontario, Peterborough, Ontario and Ottawa, Ontario. It is assumed that the Applicants will be vacating their head office and Ottawa office during the Period.
9. Represents a loan to fund the Companies' Thai operations.
10. Includes the estimated payments to the Monitor, its counsel, the Applicants' counsel and debentureholders counsel.
11. Reflects projected DIP funding to be provided by the DIP Lender, as defined and pursuant to the terms of the DIP Term Sheet.

**SCHEDULE D
LENDERS**

Lender	Commitment Amount		
	Total (CAD)	First Advance (CAD)	Subsequent Advances¹
David Taylor	\$667,500	\$300,000	25%
Alastair Crawford	\$667,500	\$300,000	25%
Broughton Limited	\$667,500	\$300,000	25%
Brahma Finance Limited	\$667,500	\$300,000	25%
Total	CA\$2,670,000	CA\$1,200,000	100%

¹ Subsequent Advances will be made in accordance with the Approved Budget Forecast and the terms of the Term Sheet. In the event of participation by additional Persons as Lender, each Lender's commitment shall be an equal percentage of the total Advance.

**THIS IS EXHIBIT "CC" REFERRED TO IN THE
AFFIDAVIT OF JEREMY BLUMER SWORN
THE 25TH DAY OF JULY, 2022**



THOMAS GRAY
A Commissioner for taking affidavits, etc.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
MPX INTERNATIONAL CORPORATION, BIOCANNABIS PRODUCTS LTD.,
CANVEDA INC., THE CING-X CORPORATION, SPARTAN WELLNESS
CORPORATION, MPXI ALBERTA CORPORATION, MCLN INC.,
AND SALUS BIOPHARMA CORPORATION
(collectively, the "Applicants")**

CONSENT TO ACT AS MONITOR

KSV RESTRUCTURING INC. hereby consents to act as the Court-appointed Monitor of the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36, as amended, in respect of these proceedings.

Dated at Toronto, Ontario this 22nd day of July, 2022

KSV RESTRUCTURING INC.

Per: _____

Name: Noah Goldstein
Title: Managing Director

**THIS IS EXHIBIT "DD" REFERRED TO IN THE
AFFIDAVIT OF JEREMY BLUMER SWORN
THE 25TH DAY OF JULY, 2022**

A handwritten signature in black ink, appearing to be 'TG' with a long horizontal stroke extending to the right.

THOMAS GRAY
A Commissioner for taking affidavits, etc.

NOT FOR DISTRIBUTION TO NEWSWIRE SERVICES IN THE UNITED STATES OR FOR DISSEMINATION IN THE UNITED STATES. ANY FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF UNITED STATES SECURITIES LAWS.



MPX INTERNATIONAL ANNOUNCES POSTPONEMENT OF ANNUAL MEETING OF SHAREHOLDERS

TORONTO, ONTARIO, July 12, 2022 – **MPX International Corporation** (“**MPX International**”, “**MPXI**” or the “**Corporation**”) (CSE:MPXI; OTC:MPXOF), a multinational diversified cannabis company, is postponing its annual meeting of shareholders (the “Meeting”) scheduled for 10:00 am (Toronto time) on July 15, 2022 until 10:00 am (Toronto time) on July 29, 2022. Accordingly, the proxy cut-off time will be extended until 10:00 am (Toronto time) on July 27, 2022.

About MPX International Corporation

MPX International Corporation is a multinational diversified cannabis company focused on developing and operating assets across the international cannabis industry with an emphasis on cultivating, manufacturing and marketing products which include cannabinoids as their primary active ingredient. With current operations spanning four continents in Canada, Switzerland, South Africa, Malta and Thailand as well as evolving partnership and distribution opportunities in other jurisdictions, MPXI continues to position itself as an emergent global participant in the cannabis industry.

Cautionary Statement Regarding Forward-Looking Information

This news release includes certain “forward-looking statements” under applicable Canadian securities legislation that are not historical facts. Forward-looking statements involve risks, uncertainties, and other factors that could cause actual results, performance, prospects, and opportunities to differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements in this news release include, but are not limited to, MPX International’s objectives and intentions. Forward-looking statements are necessarily based on a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic and social uncertainties; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; delay or failure to receive board, shareholder or regulatory approvals; the Corporation’s ability to effectively deal with the restrictions, limitations and health issues presented by the COVID-19 pandemic; future cannabis pricing; cannabis cultivation yields; costs of inputs; its ability to market products successfully to its anticipated clients; reliance on key personnel and contracted relationships with third parties; the regulatory environment in Australia, Canada, Malta, South Africa, Switzerland, Thailand and other international jurisdictions; the ability to complete any future potential transactions and the terms and conditions thereof; the application of federal, state, provincial, county and municipal laws; and the impact of increasing competition; those additional risks set out in MPX International’s public documents filed on SEDAR at www.sedar.com, including its audited annual consolidated financial statements for the financial years ended September 30, 2021 and 2020, and the corresponding management’s discussion and analysis; and other matters discussed in this news release. Although MPX International believes that the assumptions and factors used in preparing the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. Except where required by law, MPX International disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

For further information about MPXI, please contact:

MPX International Corporation
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T: +1-416-840-4703
E: info@mpxinternationalcorp.com

[or visit one our websites:](#)

<https://mpxinternationalcorp.com>
<https://cbdetc.com>
<https://holyworld.ch/en>
<https://spartannetwork.ca>
<https://network.mothersmary.com>
<https://www.high12brands.com>

<https://strainrec.ca>
<https://canveda.ca>
<https://miracbd.ca>
<http://mpxi.tv>
<http://www.saluseurope.com>
<https://salusbioceutical.co.th>

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36*, AS AMENDED AND
IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF MPX INTERNATIONAL CORPORATION,
BIOCANNABIS PRODUCTS LTD., CANVEDA INC., THE CING-X CORPORATION, SPARTAN WELLNESS
CORPORATION, MPXI ALBERTA CORPORATION, MCLN INC., AND SALUS BIOPHARMA CORPORATION**

Court File No.: _____

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings Commenced in Toronto

AFFIDAVIT OF JEREMY BLUMER
(Sworn July 25, 2022)

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Lawyers for the Applicants

TAB 3

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE CHIEF) MONDAY, THE 25th
)
JUSTICE MORAWETZ) DAY OF JULY, 2022
)

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF MPX
INTERNATIONAL CORPORATION, BIOCANNABIS PRODUCTS LTD., CANVEDA INC.,
THE CING-X CORPORATION, SPARTAN WELLNESS CORPORATION, MPXI ALBERTA
CORPORATION, MCLN INC., AND SALUS BIOPHARMA CORPORATION
(collectively, the "**Applicants**")

INITIAL ORDER

THIS APPLICATION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day by Zoom videoconference.

ON READING the affidavit of Jeremy Blumer sworn July 25, 2022 and the Exhibits thereto (the "**Blumer Affidavit**") and the Pre-Filing Report of KSV Restructuring Inc. ("**KSV**") dated July 25, 2022, and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants and the additional parties listed in Schedule "A" hereto (collectively, the "**Non-Applicant Stay Parties**") and together with the Applicants, the "**MPXI Entities**"), counsel for KSV, counsel for David Taylor, Alastair Crawford, Broughton Finance and Brahma Finance Limited (collectively, the "**Initial DIP Lenders**"), and such other parties listed on the Counsel Slip, and on reading the consent of KSV to act as Monitor (the "**Monitor**"),

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that each of the Applicants is a company to which the CCAA applies. Although not Applicants, the Non-Applicant Stay Parties shall enjoy the benefits of the protections and authorizations provided under the terms of this Order.

POSSESSION OF PROPERTY AND OPERATIONS

3. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their respective current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and Property. The Applicants are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

4. **THIS COURT ORDERS** that the MPXI Entities shall be entitled to continue to utilize the central cash management system currently in place as described in the Blumer Affidavit or, with the consent of the Monitor and the Initial DIP Lenders, together with any other lender who participates in the DIP Facility (as defined below) (together, the "**DIP Lenders**"), replace it with another substantially similar central cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the MPXI Entities of funds transferred, paid, collected or otherwise dealt with in the Cash

Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the MPXI Entities, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under any plan of compromise or arrangement (a “**Plan**”) with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

5. **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to, on, or after the date of this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and employee expenses payable prior to, on, or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) with the consent of the Monitor and the DIP Lenders, amounts owing for goods and services actually supplied to the Applicants prior to the date of this Order and all outstanding amounts related to honouring customer obligations whether existing before or after the date of this Order, incurred in the ordinary course of business and consistent with existing policies and procedures;
- (c) any taxes, duties or other payments required under the Cannabis Legislation (as defined below); and
- (d) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges.

6. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, and subject to the Definitive Documents (as defined below), the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course prior to, on, or, after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors' and officers' insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the Applicants on or following the date of this Order.

Payments for amounts incurred prior to this Order shall require the consent of the Monitor and the DIP Lenders, or leave of this Court.

7. **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance; (ii) Canada Pension Plan; and (iii) income taxes.
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order;
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

8. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be

negotiated between the applicable Applicant and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, monthly, on the first day of each month, in advance (but not in arrears) in the amounts set out in the applicable lease. On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

9. **THIS COURT ORDERS** that, except as specifically permitted herein and in the Definitive Documents, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

10. **THIS COURT ORDERS** that each of the Applicants shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents, have the right to:

- (a) with the prior consent of the DIP Lenders, permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding \$250,000 in any one transaction or \$1,000,000 in the aggregate;
- (b) sell inventory in the ordinary course of business consistent with past practice, or otherwise with the consent of the Monitor and the DIP Lenders;
- (c) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and
- (d) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business.

NO PROCEEDINGS AGAINST THE MPXI ENTITIES OR THEIR RESPECTIVE PROPERTY

11. **THIS COURT ORDERS** that until and including August 4, 2022, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of any MPXI Entity or the Monitor or their respective employees and representatives acting in such capacities, or affecting the Business or the Property, except with the written consent of the MPXI Entities and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of any MPXI Entity or affecting the Business or the Property, are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

12. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of any MPXI Entity or the Monitor, or their respective employees and representatives acting in such capacities, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the MPXI Entities and the Monitor, or leave of this Court, provided that nothing in this Order shall: (i) empower any MPXI Entity to carry on any business which the MPXI Entity is not lawfully entitled to carry on; (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA; (iii) prevent the filing of any registration to preserve or perfect a security interest; or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

13. **THIS COURT ORDERS** that during the Stay Period, no Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, rescind, terminate or cease to perform any right, renewal right, contract, agreement, lease, licence or permit in favour of or held by any MPXI Entity, except with the written consent of the MPXI Entities and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

14. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements or arrangements with an MPXI Entity or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, security services, payroll services, insurance, transportation services, utility or other services to the Business or an MPXI Entity, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the MPXI Entities, and that the MPXI Entities shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the MPXI Entities in accordance with normal payment practices of the MPXI Entities or such other practices as may be agreed upon by the supplier or service provider and the applicable MPXI Entity and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

15. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to an MPXI Entity. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

16. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers (or similar position) of any MPXI Entity with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of an MPXI Entity whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of

such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

17. **THIS COURT ORDERS** that the Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as a director or officer of the Applicants after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

18. **THIS COURT ORDERS** that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$145,000, unless permitted by further Order of this Court, as security for the indemnity provided in paragraph 17 of this Order. The Directors' Charge shall have the priority set out in paragraphs 36 and 38 herein.

19. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary: (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge; and (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any director's and officer's insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 17 of this Order.

APPOINTMENT OF MONITOR

20. **THIS COURT ORDERS** that KSV is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the MPXI Entities and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the MPXI Entities pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

21. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants' receipts and disbursements, including the management and deployment/use of any funds advanced by the DIP Lenders to the Applicants under the DIP Term Sheet;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Applicants, to the extent required by the Applicants, in their dissemination, to the DIP Lenders and its counsel on a weekly basis of financial and other information as agreed to between the Applicants and, the DIP Lenders which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lenders;
- (d) advise the Applicants in their preparation of the Applicant's cash flow statements and reporting required by the DIP Lenders, which information shall be reviewed with the Monitor and delivered to the DIP Lenders and its counsel on a periodic basis, but not less than weekly, or as otherwise agreed to by the DIP Lenders;
- (e) monitor all payments, obligations and any transfers as between the MPXI Entities;
- (f) receive funds advanced by the DIP Lenders and to disburse such funds to the Applicants pursuant to the terms of the DIP Term Sheet, including any actions or activities incidental thereto;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the MPXI Entities, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;
- (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and

- (i) perform such other duties as are required by this Order or by this Court from time to time.

22. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property or be deemed to take possession of the Property, pursuant to any provision of any federal, provincial or other law respecting, among other things, the manufacturing, possession, processing and distribution of cannabis or cannabis products including, without limitation, under the *Cannabis Act* S.C. 2018, c.16, the *Controlled Drugs and Substances Act*, S.C. 1996, c. 19, the *Excise Act, 2001*, S.C. 2002, c. 22., the *Ontario Cannabis Licence Act*, S.O. 2018, c. 12, Sched. 2, the *Ontario Cannabis Control Act*, S.O. 2017, c. 26, Sched. 1, the *Ontario Cannabis Retail Corporation Act*, 2017, S.O. 2017, c. 26, the *Alberta Gaming, Liquor and Cannabis Act*, R.S.A. 2000, c. G-1, the *Alberta Gaming, Liquor and Cannabis Regulation*, Alta. Reg. 143/996, or other such applicable federal, provincial or other legislation or regulations (collectively, the "**Cannabis Legislation**"), and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof within the meaning of any Cannabis Legislation or otherwise, and nothing in this Order shall be construed as resulting in the Monitor being an employer or successor employer within the meaning of any statute, regulation or rule of law or equity for any purpose whatsoever.

23. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, the *Ontario Occupational Health and Safety Act*, the *Alberta Environmental Protection and Enhancement Act*, R.S.A. 2000, c. E-12, the *Alberta Water Act*, R.S.A. 2000, c. W-3 and the *Alberta Occupational Health and Safety Act*, S.A. 2020, c. O-2.2 and all regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to

report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

24. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the DIP Lenders under this Order or at law, the DIP Lenders shall not incur any liability or obligation as a result of the carrying out of the provisions of this Order, including under any Cannabis Legislation, save and except for any gross negligence or willful misconduct on its part.

25. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Applicants, including without limitation, the DIP Lenders, with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

26. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the Monitor under the CCAA or as an officer of this Court, neither the Monitor nor its respective employees and representatives acting in such capacities shall incur any liability or obligation as a result of the appointment of the Monitor or the carrying out by it of the provisions of this Order, including under any Cannabis Legislation, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

27. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on or subsequent to, the date of this Order, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a weekly basis.

28. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

29. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and the Applicants' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$300,000, unless consented to by the DIP Lenders and permitted by further Order of this Court, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 36 and 38 hereof.

DIP FINANCING

30. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to obtain and borrow under a credit facility from the DIP Lenders in order to finance the Applicants' working capital requirements and other general corporate purposes and capital expenditures.

31. **THIS COURT ORDERS** that such credit facility shall be on the terms and subject to the conditions set forth in the Summary of Terms and Conditions for Credit Facility between the DIP Lenders and the Applicants dated as of July 25, 2022 (as may be amended from time to time, the "**DIP Term Sheet**"), filed.

32. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**"), as are contemplated by the DIP Term Sheet or as may be reasonably required by the DIP Lenders pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the DIP Lenders under and pursuant to the DIP Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

33. **THIS COURT ORDERS** that the DIP Lenders shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lenders' Charge**") on the Property, which DIP Lenders' Charge shall not exceed the amount of \$1,200,000 or secure an obligation that exists before this Order is made. The DIP Lenders' Charge shall have the priority set out in paragraphs 36 and 38 hereof.

34. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lenders may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lenders' Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lenders' Charge, the DIP Lenders, upon 4 business days notice to the Applicants and the Monitor, may exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the DIP Term Sheet, Definitive Documents and the DIP Lenders' Charge, including without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the DIP Lenders to the Applicants against the obligations of the Applicants to the DIP Lenders under the DIP Term Sheet, the Definitive Documents or the DIP Lenders' Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and
- (c) the foregoing rights and remedies of the DIP Lenders shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.

35. **THIS COURT ORDERS AND DECLARES** that, unless otherwise agreed to by the DIP Lenders, the DIP Lenders shall be treated as unaffected in any Plan filed by any of Applicants under the CCAA, or any proposal filed by any of the Applicants under the *Bankruptcy and Insolvency Act*, with respect to any advances made under the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

36. **THIS COURT ORDERS** that the priorities of the Directors' Charge, the Administration Charge and the DIP Lenders' Charge (collectively, the "**Charges**"), as among them, shall be as follows:

First - Administration Charge (to the maximum amount of \$300,000);

Second - DIP Lenders' Charge (to the maximum amount of \$1,200,000); and

Third - Directors' Charge (to the maximum amount of \$145,000).

37. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

38. **THIS COURT ORDERS** that each of the Charges (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person; provided that the Charges shall rank behind Encumbrances in favour of any Persons that have not been served with notice of this application. The Applicants and the beneficiaries of the Charges shall be entitled to seek priority of the Charges ahead of such Encumbrances on a subsequent motion on notice to those parties.

39. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges unless the Applicants also obtain the prior written consent of the Monitor, the DIP Lenders and the beneficiaries of the Charges, or further Order of this Court.

40. **THIS COURT ORDERS** that the Charges, the DIP Term Sheet and the Definitive Documents shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the DIP

Lenders thereunder shall not otherwise be limited or impaired in any way by: (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Term Sheet or the Definitive Documents shall create or be deemed to constitute a breach by the Applicants of any Agreement to which they are a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicants entering into the DIP Term Sheet, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Applicants pursuant to this Order, the DIP Term Sheet or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

41. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the applicable Applicant's interest in such real property leases.

CORPORATE MATTERS

42. **THIS COURT ORDERS** that MPX International Corporation be and is hereby relieved of any obligation to call and hold an annual meeting of its shareholders until further Order of this Court.

SERVICE AND NOTICE

43. **THIS COURT ORDERS** that the Monitor shall: (i) without delay, publish in the Globe and Mail, National Edition, a notice containing the information prescribed under the CCAA; and (ii) within five (5) days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against any of the Applicants of more than \$1,000 (excluding individual employees, former employees with retirement savings plan entitlements, and retirees and other beneficiaries who have entitlements under any retirement savings plans), and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder; provided that the Monitor shall not make the claims, names and addresses of individuals who are creditors publicly available unless otherwise ordered by this Court.

44. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <https://www.ksvadvisory.com/insolvency-cases/case/MPXI>.

45. **THIS COURT ORDERS** that the Applicants and the Monitor and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Applicants' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2175 (SOR/DORS).

46. **THIS COURT ORDERS** that, except with respect to any motion to be heard on the Comeback Date (as defined below), and subject to further Order of this Court in respect of urgent motions, any interested party wishing to object to the relief sought in a motion brought by the Applicants or the Monitor in these CCAA proceedings shall, subject to further Order of this Court, provide the service list in these proceedings (the “**Service List**”) with responding motion materials or a written notice (including by e-mail) stating its objection to the motion and the grounds for such objection by no later than 5:00 p.m. (Toronto time) on the date that is two (2) days prior to the date such motion is returnable (the “**Objection Deadline**”). The Monitor shall have the ability to extend the Objection Deadline after consulting with the Applicants.

47. **THIS COURT ORDERS** that following the expiry of the Objection Deadline, counsel to the Monitor or counsel to the Applicants shall inform the Court, including by way of a 9:30 a.m. appointment, of the absence or the status of any objections to the motion and the judge having carriage of the motion may determine (a) whether a hearing in respect of the motion is necessary, (b) if a hearing is necessary, the date and time of the hearing, (c) whether such hearing will be in person, by telephone or videoconference, or by written submissions only, and (d) the parties from whom submissions are required. In the absence of any such determination, a hearing will be held in the ordinary course on the date specified in the notice of motion.

GENERAL

48. **THIS COURT ORDERS** that any interested party that wishes to amend or vary this Order shall be entitled to appear or bring a motion before this Court on August 4, 2022, at 10:30 a.m. (Toronto Time) or such other date as may be set by this Court upon the granting of this Order (the “**Comeback Date**”), and any such interested party shall give not less than two (2) business days’ notice to the Service List and any other party or parties likely to be affected by the Order sought in advance of the Comeback Date; provided, however, that the Chargees shall be entitled to rely on this Order as issued and entered and on the Charges and priorities set forth in paragraphs 36 and 38 hereof with respect to any fees, expenses and disbursements incurred, as applicable, until the date this Order may be amended, varied or stayed.

49. **THIS COURT ORDERS** that, notwithstanding paragraph 48 of this Order, each of the Applicants, the DIP Lenders or the Monitor may from time to time apply to this Court to amend,

vary or supplement this Order or for advice and directions in the discharge of its powers and duties under this Order or in the interpretation of this Order hereunder.

50. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of any of the Applicants, the Business or the Property.

51. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, Switzerland, South Africa, Malta, Australia, Lesotho, Thailand or any other country, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

52. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

53. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Toronto time) on the date of this Order.

SCHEDULE "A"
NON-APPLICANT STAY PARTIES

MPX Australia Pty Ltd.
MPXI UK Limited
MPXI Lesotho (Pty) Ltd.
Highland Farms (Pty) Ltd.
MPXI Malta Operations Limited
MPXI Malta Property Limited
Alphafarma Operations Limited
MPXI Malta Holding Limited
MPXI SA Pty Ltd.
First Growth Holding Pty Ltd.
Salus Bioceutical (Thailand) Co., Ltd.
Salus International Management Ltd.
Holyworld SA
MPXI Labs SA

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36*, AS AMENDED AND IN THE MATTER OF AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF MPX INTERNATIONAL CORPORATION, BIOCANNABIS PRODUCTS LTD., CANVEDA INC., THE CING-X CORPORATION, SPARTAN WELLNESS CORPORATION, MPXI ALBERTA CORPORATION, MCLN INC., AND SALUS BIOPHARMA CORPORATION

Court File No.: _____

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings Commenced in Toronto

INITIAL ORDER

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Lawyers for the Applicants

TAB 4

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE — CHIEF) ~~WEEKDAY~~ MONDAY, THE # 25th
JUSTICE — MORAWETZ) DAY OF ~~MONTH~~ JULY, ~~20YR~~ 2022

IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
~~[APPLICANT'S NAME]~~ (MPX INTERNATIONAL CORPORATION, BIOCANNABIS
PRODUCTS LTD., CANVEDA INC., THE CING-X CORPORATION, SPARTAN
WELLNESS CORPORATION, MPXI ALBERTA CORPORATION, MCLN INC., AND
SALUS BIOPHARMA CORPORATION
(collectively, the "Applicants")

INITIAL ORDER

THIS APPLICATION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day ~~at 330 University Avenue, Toronto, Ontario~~ by Zoom videoconference.

ON READING the affidavit of ~~[NAME]~~ Jeremy Blumer sworn ~~[DATE]~~ July 25, 2022 and the Exhibits thereto (the "Blumer Affidavit") and the Pre-Filing Report of KSV Restructuring Inc. ("KSV") dated July 25, 2022, and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for ~~[NAMES], no one appearing for [NAME][†] although duly served as appears from the affidavit of service of [NAME] sworn [DATE]~~ the Applicants and

[†] ~~Include names of secured creditors or other persons who must be served before certain relief in this model Order may be granted. See, for example, CCAA Sections 11.2(1), 11.3(1), 11.4(1), 11.51(1), 11.52(1), 32(1), 32(3), 33(2) and 36(2).~~

the additional parties listed in Schedule "A" hereto (collectively, the "Non-Applicant Stay Parties" and together with the Applicants, the "MPXI Entities"), counsel for KSV, counsel for David Taylor, Alastair Crawford, Broughton Finance and Brahma Finance Limited (collectively, the "Initial DIP Lenders"), and such other parties listed on the Counsel Slip, and on reading the consent of ~~[MONITOR'S NAME]~~KSV to act as Monitor (the "Monitor"),

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated² so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that each of the Applicants is a company to which the CCAA applies.

~~PLAN OF ARRANGEMENT~~

~~3. — THIS COURT ORDERS that~~ Although not Applicants, the Non-Applicant Stay Parties shall ~~have~~enjoy the ~~authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "Plan")~~ benefits of the protections and authorizations provided under the terms of this Order.

POSSESSION OF PROPERTY AND OPERATIONS

3. ~~4.~~ **THIS COURT ORDERS** that the Applicants shall remain in possession and control of ~~its~~their respective current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner

² ~~If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in appropriate circumstances.~~

consistent with the preservation of ~~its~~their business (the "**Business**") and Property. The Applicants ~~is~~ are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by ~~it~~them, with liberty to retain such further Assistants as ~~it~~ they deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

4. ~~5.~~ **THIS COURT ORDERS** that the ~~Applicant~~MPXI Entities shall be entitled to continue to utilize the central cash management system³ currently in place as described in the Blumer Affidavit of [NAME] sworn [DATE] or or, with the consent of the Monitor and the Initial DIP Lenders, together with any other lender who participates in the DIP Facility (as defined below) (together, the "DIP Lenders"), replace it with another substantially similar central cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the ~~Applicant~~MPXI Entities of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the ~~Applicant~~MPXI Entities, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under ~~the~~ any plan of compromise or arrangement (a "Plan") with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.}]

5. ~~6.~~ **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to, on, or after the date of this Order:

³~~This provision should only be utilized where necessary, in view of the fact that central cash management systems often operate in a manner that consolidates the cash of applicant companies. Specific attention should be paid to cross border and inter company transfers of cash.~~

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and employee expenses payable prior to, on, or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) with the consent of the Monitor and the DIP Lenders, amounts owing for goods and services actually supplied to the Applicants prior to the date of this Order and all outstanding amounts related to honouring customer obligations whether existing before or after the date of this Order, and incurred in the ordinary course of business and consistent with existing policies and procedures;
- (c) any taxes, duties or other payments required under the Cannabis Legislation (as defined below); and
- (d) ~~(b)~~ the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges.

6. ~~7.~~ **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, and subject to the ~~Applicant~~ Definitive Documents (as defined below), the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course prior to, on, or, after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors' and officers' insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the ~~Applicant~~ Applicants on or following the date of this Order.

Payments for amounts incurred prior to this Order shall require the consent of the Monitor and the DIP Lenders, or leave of this Court.

7. ~~8.~~ **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance;² (ii) Canada Pension Plan;³ **and** (iii) ~~Quebec Pension Plan, and (iv) income taxes;~~²
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, ~~or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and;~~²
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

8. ~~9.~~ **THIS COURT ORDERS** that until a real property lease is disclaimed ~~for resiliated~~⁴ in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the applicable Applicant and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order,

⁴ ~~The term "resiliate" should remain if there are leased premises in the Province of Quebec, but can otherwise be removed.~~

~~twice-monthly-in equal payments,~~ on the first ~~and fifteenth~~ day of each month, in advance (but not in arrears) in the amounts set out in the applicable lease. On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

9. ~~10.~~ **THIS COURT ORDERS** that, except as specifically permitted herein and in the Definitive Documents, the Applicants ~~is~~ are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of ~~its~~their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of ~~its~~their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

10. ~~11.~~ **THIS COURT ORDERS** that each of the Applicants shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents ~~(as hereinafter defined)~~, have the right to:

- (a) with the prior consent of the DIP Lenders, permanently or temporarily cease, downsize or shut down any of its business or operations, ~~and~~ to dispose of redundant or non-material assets not exceeding \$~~250,000~~ 250,000 in any one transaction or \$~~1,000,000~~ 1,000,000 in the aggregate⁵;
- (b) sell inventory in the ordinary course of business consistent with past practice, or otherwise with the consent of the Monitor and the DIP Lenders;
- (c) ~~(b)~~ terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and

⁵Section 36 of the amended CCAA does not seem to contemplate a pre-approved power to sell (see subsection 36(3)) and moreover requires notice (subsection 36(2)) and evidence (subsection 36(7)) that may not have occurred or be available at the initial CCAA hearing.

(d) ~~(e)~~ pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicantss to proceed with an orderly restructuring of the Business ~~(the "Restructuring")~~.

~~12. — THIS COURT ORDERS that the Applicant shall provide each of the relevant landlords with notice of the Applicant's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicant's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicant, or by further Order of this Court upon application by the Applicant on at least two (2) days notice to such landlord and any such secured creditors. If the Applicant disclaims ~~[or resiliates]~~ the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer ~~[or resiliation]~~ of the lease shall be without prejudice to the Applicant's claim to the fixtures in dispute.~~

~~13. — THIS COURT ORDERS that if a notice of disclaimer ~~[or resiliation]~~ is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer ~~[or resiliation]~~, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicant and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer ~~[or resiliation]~~, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicant in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.~~

NO PROCEEDINGS AGAINST THE ~~APPLICANT~~ MPXI ENTITIES OR ~~THE~~ THEIR RESPECTIVE PROPERTY

11. ~~14.~~ **THIS COURT ORDERS** that until and including ~~[DATE — MAX. 30 DAYS]~~ August 4, 2022, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding") shall be commenced or continued against or in respect of ~~the Applicant~~ any MPXI Entity or the Monitor or their respective employees and representatives acting in such capacities, or affecting the Business or the Property, except with the written consent of the ~~Applicant~~ MPXI Entities and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of ~~the Applicant~~ any MPXI Entity or affecting the Business or the Property, are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

12. ~~15.~~ **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of ~~the Applicant~~ any MPXI Entity or the Monitor, or their respective employees and representatives acting in such capacities, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the ~~Applicant~~ MPXI Entities and the Monitor, or leave of this Court, provided that nothing in this Order shall: (i) empower ~~the Applicant~~ any MPXI Entity to carry on any business which the ~~Applicant~~ MPXI Entity is not lawfully entitled to carry on; (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA; (iii) prevent the filing of any registration to preserve or perfect a security interest; or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

13. ~~16.~~ **THIS COURT ORDERS** that during the Stay Period, no Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, rescind, terminate or cease to perform any right, renewal right, contract, agreement, lease, licence or permit in favour of or

held by ~~the Applicant~~any MPXI Entity, except with the written consent of the ~~Applicant~~MPXI Entities and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

14. ~~17.~~ **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements or arrangements with ~~the Applicant~~an MPXI Entity or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, security services, payroll services, insurance, transportation services, utility or other services to the Business or ~~the Applicant~~an MPXI Entity, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the ~~Applicant~~MPXI Entities, and that the ~~Applicant~~MPXI Entities shall be entitled to the continued use of ~~its~~their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the ~~Applicant~~MPXI Entities in accordance with normal payment practices of the ~~Applicant~~MPXI Entities or such other practices as may be agreed upon by the supplier or service provider and ~~each of the Applicant~~applicable MPXI Entity and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

15. ~~18.~~ **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leasedd or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to ~~the Applicant~~an MPXI Entity. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.⁶

⁶ ~~This non-derogation provision has acquired more significance due to the recent amendments to the CCAA, since a number of actions or steps cannot be stayed, or the stay is subject to certain limits and restrictions. See, for example,~~

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

16. ~~19.~~ **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers ~~of the Applicant~~ (or similar position) of any MPXI Entity with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of ~~the Applicant~~ an MPXI Entity whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

17. ~~20.~~ **THIS COURT ORDERS** that the Applicants shall indemnify ~~its~~ their directors and officers against obligations and liabilities that they may incur as ~~directors~~ a director or officers of the Applicants after the commencement of the within proceedings,⁷ except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

18. ~~21.~~ **THIS COURT ORDERS** that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**")⁸ on the Property, which charge shall not exceed an aggregate amount of \$~~●~~ 145,000, unless permitted by further Order of this Court, as security for the indemnity provided in paragraph ~~20~~ 17 of

~~number of actions or steps cannot be stayed, or the stay is subject to certain limits and restrictions. See, for example, CCAA Sections 11.01, 11.04, 11.06, 11.07, 11.08, 11.1(2) and 11.5(1).~~

~~⁷The broad indemnity language from Section 11.51 of the CCAA has been imported into this paragraph. The granting of the indemnity (whether or not secured by a Directors' Charge), and the scope of the indemnity, are discretionary matters that should be addressed with the Court.~~

~~⁸Section 11.51(3) provides that the Court may not make this security/charging order if in the Court's opinion the Applicant could obtain adequate indemnification insurance for the director or officer at a reasonable cost.~~

this Order. The Directors' Charge shall have the priority set out in paragraphs ~~38~~36 and ~~40~~38 herein.

19. ~~22.~~ **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary; (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge; and (b) the ~~Applicant's~~Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any ~~directors'~~director's and officers's insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph ~~20~~17 of this Order.

APPOINTMENT OF MONITOR

20. ~~23.~~ **THIS COURT ORDERS** that ~~[MONITOR'S NAME]~~KSV is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the ~~Applicant~~MPXI Entities and ~~its~~their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the ~~Applicant~~MPXI Entities pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

21. ~~24.~~ **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants's receipts and disbursements, including the management and deployment/use of any funds advanced by the DIP Lenders to the Applicants under the DIP Term Sheet;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

- (c) assist the Applicants, to the extent required by the Applicants, in ~~its~~their dissemination, to the DIP Lenders and its counsel on a ~~[TIME-INTERVAL]~~weekly basis of financial and other information as agreed to between the Applicants and, the DIP Lenders which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lenders;
- (d) advise the Applicants in ~~its~~their preparation of the Applicant's cash flow statements and reporting required by the DIP Lenders, which information shall be reviewed with the Monitor and delivered to the DIP Lenders and its counsel on a periodic basis, but not less than ~~[TIME-INTERVAL]~~weekly, or as otherwise agreed to by the DIP Lenders;
- (e) ~~advise the Applicant in its development of the Plan and any amendments to the Plan;~~monitor all payments, obligations and any transfers as between the MPXI Entities;
- (f) ~~assist the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan~~receive funds advanced by the DIP Lenders and to disburse such funds to the Applicants pursuant to the terms of the DIP Term Sheet, including any actions or activities incidental thereto;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the ~~Applicant~~MPXI Entities, to the extent that is necessary to adequately assess the Applicants's business and financial affairs or to perform its duties arising under this Order;
- (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and

- (i) perform such other duties as are required by this Order or by this Court from time to time.

22. ~~25.~~ **THIS COURT ORDERS** that the Monitor shall not take possession of the Property or be deemed to take possession of the Property, pursuant to any provision of any federal, provincial or other law respecting, among other things, the manufacturing, possession, processing and distribution of cannabis or cannabis products including, without limitation, under the Cannabis Act S.C. 2018, c.16, the Controlled Drugs and Substances Act, S.C. 1996, c. 19, the Excise Act, 2001, S.C. 2002, c. 22., the Ontario Cannabis Licence Act, S.O. 2018, c. 12, Sched. 2, the Ontario Cannabis Control Act, S.O. 2017, c. 26, Sched. 1, the Ontario Cannabis Retail Corporation Act, 2017, S.O. 2017, c. 26, the Alberta Gaming, Liquor and Cannabis Act, R.S.A. 2000, c. G-1, the Alberta Gaming, Liquor and Cannabis Regulation, Alta. Reg. 143/996, or other such applicable federal, provincial or other legislation or regulations (collectively, the "Cannabis Legislation"), and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof within the meaning of any Cannabis Legislation or otherwise, and nothing in this Order shall be construed as resulting in the Monitor being an employer or successor employer within the meaning of any statute, regulation or rule of law or equity for any purpose whatsoever.

23. ~~26.~~ **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, ~~or~~ the *Ontario Occupational Health and Safety Act* ~~and~~, the Alberta Environmental Protection and Enhancement Act, R.S.A. 2000, c. E-12, the Alberta Water Act, R.S.A. 2000, c. W-3 and the Alberta Occupational Health and Safety Act, S.A. 2020, c.

O-2.2 and all regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

24. THIS COURT ORDERS that, in addition to the rights and protections afforded to the DIP Lenders under this Order or at law, the DIP Lenders shall not incur any liability or obligation as a result of the carrying out of the provisions of this Order, including under any Cannabis Legislation, save and except for any gross negligence or willful misconduct on its part.

25. ~~27.~~ THIS COURT ORDERS that that the Monitor shall provide any creditor of the ~~Applicant and~~ Applicants, including without limitation, the DIP ~~Lender~~ Lenders, with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

26. ~~28.~~ THIS COURT ORDERS that, in addition to the rights and protections afforded to the Monitor under the CCAA or as an officer of this Court, neither the Monitor nor its respective employees and representatives acting in such capacities shall incur ~~no~~ any liability or obligation as a result of ~~its~~ the appointment of the Monitor or the carrying out by it of the provisions of this Order, including under any Cannabis Legislation, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

27. ~~29.~~ THIS COURT ORDERS that the Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on or subsequent to, the date of this

Order, by the Applicants as part of the costs of these proceedings. The Applicants ~~is~~ are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a ~~[TIME INTERVAL]~~ weekly basis ~~and, in addition, the Applicant is hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Applicant, retainers in the amount[s] of \$● [, respectively,] to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.~~

28. ~~30.~~ **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

29. ~~31.~~ **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, ~~if any,~~ and the ~~Applicant's~~ Applicants' counsel shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of \$● 300,000, unless consented to by the DIP Lenders and permitted by further Order of this Court, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs ~~38~~ 36 and ~~40~~ 38 hereof.

DIP FINANCING

30. ~~32.~~ **THIS COURT ORDERS** that the Applicants ~~is~~ are hereby authorized and empowered to obtain and borrow under a credit facility from ~~[DIP LENDER'S NAME]~~ (the "~~DIP Lender~~") Lenders in order to finance the Applicants's working capital requirements and other general corporate purposes and capital expenditures, ~~provided that borrowings under such credit facility shall not exceed \$● unless permitted by further Order of this Court.~~

31. ~~33.~~ **THIS COURT ORDERS** ~~THAT~~ that such credit facility shall be on the terms and subject to the conditions set forth in the ~~commitment letter~~ Summary of Terms and Conditions for Credit Facility between the ~~Applicant~~ DIP Lenders and the ~~DIP Lender~~ Applicants dated as of ~~[DATE]~~ (the "~~Commitment Letter~~ July 25, 2022 (as may be amended from time to time, the "DIP Term Sheet")"), filed.

32. ~~34.~~ **THIS COURT ORDERS** that the Applicants ~~is~~ are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**"), as are contemplated by the ~~Commitment Letter~~ DIP Term Sheet or as may be reasonably required by the DIP Lenders pursuant to the terms thereof, and the Applicants ~~is~~ are hereby authorized and directed to pay and perform all of ~~its~~ their indebtedness, interest, fees, liabilities and obligations to the DIP Lenders under and pursuant to the ~~Commitment Letter~~ DIP Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

33. ~~35.~~ **THIS COURT ORDERS** that the DIP Lenders shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Lenders' Charge**") on the Property, which DIP Lenders' Charge shall not exceed the amount of \$1,200,000 or secure an obligation that exists before this Order is made. The DIP ~~Lender's~~ Lenders' Charge shall have the priority set out in paragraphs ~~38~~ 36 and ~~40~~ 38 hereof.

34. ~~36.~~ **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lenders may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP ~~Lender's~~ Lenders' Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Definitive Documents or the DIP ~~Lender's~~ Lenders' Charge, the DIP Lenders, upon ~~4~~ 4 business days notice to the Applicants and the Monitor, may exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the ~~Commitment Letter~~ DIP Term Sheet, Definitive Documents and the DIP ~~Lender's~~ Lenders' Charge, including without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the DIP Lenders to the Applicants against the obligations of the Applicants to the DIP Lenders under the ~~Commitment Letter~~ DIP Term Sheet, the Definitive Documents or the DIP ~~Lender's~~ Lenders' Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver,

or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and

- (c) the foregoing rights and remedies of the DIP Lenders shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.

35. ~~37.~~ **THIS COURT ORDERS AND DECLARES** that, unless otherwise agreed to by the DIP Lenders, the DIP Lenders shall be treated as unaffected in any ~~plan of arrangement or compromise~~ Plan filed by ~~the Applicant~~ any of Applicants under the CCAA, or any proposal filed by any of the Applicants under the *Bankruptcy and Insolvency Act of Canada* (the "BIA"), with respect to any advances made under the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

36. ~~38.~~ **THIS COURT ORDERS** that the priorities of the Directors' Charge, the Administration Charge and the DIP ~~Lender's~~ Lenders' Charge (collectively, the "Charges"), as among them, shall be as follows⁹:

First — Administration Charge (to the maximum amount of \$~~300,000~~ 300,000);

Second — DIP ~~Lender's~~ Lenders' Charge (to the maximum amount of \$1,200,000); and

Third — Directors' Charge (to the maximum amount of \$~~145,000~~ 145,000).

37. ~~39.~~ **THIS COURT ORDERS** that the filing, registration or perfection of the ~~Directors' Charge, the Administration Charge or the DIP Lender's Charge~~ (collectively, the "Charges")

⁹The ranking of these Charges is for illustration purposes only, and is not meant to be determinative. This ranking may be subject to negotiation, and should be tailored to the circumstances of the case before the Court. Similarly, the quantum and caps applicable to the Charges should be considered in each case. Please also note that the CCAA now permits Charges in favour of critical suppliers and others, which should also be incorporated into this Order (and the rankings, above), where appropriate.

shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

38. ~~40.~~ **THIS COURT ORDERS** that each of the ~~Directors' Charge, the Administration Charge and the DIP Lender's Charge~~ Charges (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person; provided that the Charges shall rank behind Encumbrances in favour of any Persons that have not been served with notice of this application. The Applicants and the beneficiaries of the Charges shall be entitled to seek priority of the Charges ahead of such Encumbrances on a subsequent motion on notice to those parties.

39. ~~41.~~ **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the ~~Directors' Charge, the Administration Charge or the DIP Lender's Charge~~ Charges unless the Applicants also obtains the prior written consent of the Monitor, the DIP Lenders and the beneficiaries of the ~~Directors' Charge and the Administration Charge~~ Charges, or further Order of this Court.

40. ~~42.~~ **THIS COURT ORDERS** that the ~~Directors' Charge~~ Charges, the ~~Administration Charge, the Commitment Letter, DIP Term Sheet and~~ the Definitive Documents ~~and the DIP Lender's Charge~~ shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the DIP Lenders thereunder shall not otherwise be limited or impaired in any way by: (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation

of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the ~~Commitment Letter~~DIP Term Sheet or the Definitive Documents shall create or be deemed to constitute a breach by the Applicants of any Agreement to which ~~it is~~they are a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicants entering into the ~~Commitment Letter~~DIP Term Sheet, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Applicants pursuant to this Order, the ~~Commitment Letter~~DIP Term Sheet or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

41. ~~43.~~ **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the applicable Applicant's interest in such real property leases.

CORPORATE MATTERS

42. **THIS COURT ORDERS that MPX International Corporation be and is hereby relieved of any obligation to call and hold an annual meeting of its shareholders until further Order of this Court.**

SERVICE AND NOTICE

43. ~~44.~~ **THIS COURT ORDERS** that the Monitor shall: (i) without delay, publish in ~~[newspapers specified by the Court]~~the Globe and Mail, National Edition, a notice containing

the information prescribed under the CCAA; **and** (ii) within five **(5)** days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against **any of the Applicants** of more than ~~\$1000~~**1,000 (excluding individual employees, former employees with retirement savings plan entitlements, and retirees and other beneficiaries who have entitlements under any retirement savings plans)**, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder; **provided that the Monitor shall not make the claims, names and addresses of individuals who are creditors publicly available unless otherwise ordered by this Court.**

44. ~~45.~~ **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the **"Protocol"**) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: ~~@~~ <https://www.ksvadvisory.com/insolvency-cases/case/MPXI>.

45. ~~46.~~ **THIS COURT ORDERS** that ~~if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicant~~**the Applicants** and the Monitor **and their respective counsel** are at liberty to serve or distribute this Order, any other materials and orders **as may be reasonably required** in these proceedings, **including** any notices, or other correspondence, by forwarding true copies thereof by ~~prepaid ordinary mail, courier, personal delivery or facsimile transmission~~**electronic message** to the Applicants's creditors or other interested parties **at and** their ~~respective addresses as last shown on the records of the Applicant and that~~**advisors. For greater certainty,** any such ~~service or~~ distribution ~~by courier, personal~~

~~delivery or facsimile transmission~~ or service shall be deemed to be ~~received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing;~~ in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations, Reg. 81000-2175 (SOR/DORS)*.

46. THIS COURT ORDERS that, except with respect to any motion to be heard on the Comeback Date (as defined below), and subject to further Order of this Court in respect of urgent motions, any interested party wishing to object to the relief sought in a motion brought by the Applicants or the Monitor in these CCAA proceedings shall, subject to further Order of this Court, provide the service list in these proceedings (the “Service List”) with responding motion materials or a written notice (including by e-mail) stating its objection to the motion and the grounds for such objection by no later than 5:00 p.m. (Toronto time) on the date that is two (2) days prior to the date such motion is returnable (the “Objection Deadline”). The Monitor shall have the ability to extend the Objection Deadline after consulting with the Applicants.

47. THIS COURT ORDERS that following the expiry of the Objection Deadline, counsel to the Monitor or counsel to the Applicants shall inform the Court, including by way of a 9:30 a.m. appointment, of the absence or the status of any objections to the motion and the judge having carriage of the motion may determine (a) whether a hearing in respect of the motion is necessary, (b) if a hearing is necessary, the date and time of the hearing, (c) whether such hearing will be in person, by telephone or videoconference, or by written submissions only, and (d) the parties from whom submissions are required. In the absence of any such determination, a hearing will be held in the ordinary course on the date specified in the notice of motion.

GENERAL

48. THIS COURT ORDERS that any interested party that wishes to amend or vary this Order shall be entitled to appear or bring a motion before this Court on August 4, 2022, at 10:30 a.m. (Toronto Time) or such other date as may be set by this Court upon the granting of this Order (the “Comeback Date”), and any such interested party shall give not

less than two (2) business days' notice to the Service List and any other party or parties likely to be affected by the Order sought in advance of the Comeback Date; provided, however, that the Chargees shall be entitled to rely on this Order as issued and entered and on the Charges and priorities set forth in paragraphs 36 and 38 hereof with respect to any fees, expenses and disbursements incurred, as applicable, until the date this Order may be amended, varied or stayed.

49. ~~47.~~ **THIS COURT ORDERS** that ~~the Applicant,~~ notwithstanding paragraph 48 of this Order, each of the Applicants, the DIP Lenders or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of its powers and duties under this Order or in the interpretation of this Order hereunder.

50. ~~48.~~ **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of any of the Applicants, the Business or the Property.

51. ~~49.~~ **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada ~~or in,~~ the United States, Switzerland, South Africa, Malta, Australia, Lesotho, Thailand or any other country, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

52. ~~50.~~ **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and ~~is~~ are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as

a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

~~51. — THIS COURT ORDERS that any interested party (including the Applicant and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.~~

53. ~~52.~~ **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. ~~Eastern Standard/Daylight Time~~ (Toronto time) on the date of this Order.

SCHEDULE "A"
NON-APPLICANT STAY PARTIES

MPX Austalia Pty Ltd.
MPXI UK Limited
MPXI Lesotho (Pty) Ltd.
Highland Farms (Pty) Ltd.
MPXI Malta Operations Limited
MPXI Malta Property Limited
Alphafarma Operations Limited
MPXI Malta Holding Limited
MPXI SA Pty Ltd.
First Growth Holding Pty Ltd.
Salus Biocetical (Thailand) Co., Ltd.
Salus International Management Ltd.
Holyworld SA
MPXI Labs SA

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF MPX INTERNATIONAL CORPORATION, BIOCANNABIS PRODUCTS LTD., CANVEDA INC., THE CING-X CORPORATION, SPARTAN WELLNESS CORPORATION, MPXI ALBERTA CORPORATION, MCLN INC., AND SALUS BIOPHARMA CORPORATION

Court File No.:

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings Commenced in Toronto

INITIAL ORDER

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Format change	
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Deleted cell	
Moved cell	
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Padding cell	

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Moved to	2
Style changes	0
Format changes	0
Total changes	691

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IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF MPX INTERNATIONAL CORPORATION,
BIOCANNABIS PRODUCTS LTD., CANVEDA INC., THE CING-X CORPORATION, SPARTAN WELLNESS
CORPORATION, MPXI ALBERTA CORPORATION, MCLN INC., AND SALUS BIOPHARMA CORPORATION***

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ONTARIO
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APPLICATION RECORD

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