
MERGER AGREEMENT

Made as of March 28, 2019

Among

P&P VENTURES INC.
A BRITISH COLUMBIA CORPORATION

And

MANIFESTSEVEN, INC.
A DELAWARE CORPORATION

And

MJIC, INC.
A CALIFORNIA CORPORATION

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MERGER AGREEMENT

This Agreement is made as of March 28, 2019.

AMONG:

P & P VENTURES INC., a corporation incorporated and existing under the laws of the Province of British Columbia, having an office at Suite 2300, 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X2

(“**Pubco**”)

OF THE FIRST PART

AND:

MANIFESTSEVEN, INC., a corporation incorporated under the laws of the State of Delaware, USA, and having a registered office at 3500 S. DuPont Highway, Dover, Delaware 19901

(“**Subco**”)

OF THE SECOND PART

AND:

MJIC, INC., a corporation incorporated and existing under the laws of the State of California, USA, having an office at 5800 South Eastern Avenue, Suite 300, Commerce, California, USA 90404

(“**MJIC**”)

OF THE THIRD PART

WHEREAS:

- A. MJIC is a private corporation incorporated in the State of California;
- B. Pubco is a reporting issuer in the Canadian provinces of British Columbia, Alberta and Ontario, and the Pubco Common Shares (as defined herein) are currently listed on the NEX Board of the TSXV (as defined herein);
- C. Subco is a private corporation incorporated in the State of Delaware that is wholly-owned by Pubco;
- D. Pursuant to the Merger (as defined herein), Subco proposes to merge with MJIC;
- E. Pursuant to the Acquisition (as defined herein) and the CSE Listing (as defined herein), the Resulting Issuer (as defined herein) proposes to delist from the TSXV (as defined herein) and list on the CSE (as defined herein); and

F. The board of directors of each of Pubco, MJIC and Subco have, as applicable, unanimously determined that each of the Transactions (as defined herein) are in the best interest of their respective corporations and shareholders, and have resolved to enter into this Agreement.

NOW THEREFORE, in consideration of the foregoing, and the respective mutual covenants, agreements, representations and warranties of the Parties herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties, the Parties covenant and agree as follows:

ARTICLE 1 - DEFINITIONS AND INTERPRETATION

Section 1.1 Definitions

For the purposes of this Agreement, except as otherwise expressly provided herein, the following words and phrases will have the following meanings:

- (1) “**Acquisition**” means the reverse take over of Pubco by MJIC effected through the Merger, such acquisition constituting a Fundamental Change of Pubco within the meaning of the CSE Policy;
- (2) “**Affiliate**” has the meaning specified in the Securities Act;
- (3) “**Agreement**” means this Merger Agreement and the Schedules attached hereto;
- (4) “**Agreement Date**” means the date of this Agreement;
- (5) “**Alternate Transaction**” means any of the following occurring prior to or immediately upon Closing (other than the transactions contemplated by this Agreement): (a) any merger, amalgamation, arrangement, share exchange, take-over bid, tender offer, recapitalization, consolidation or other business combination directly involving MJIC or Pubco or any of their subsidiaries, (c) any acquisition of all or substantially all of the assets of the parties or their subsidiaries (or any agreement having a similar economic effect), (c) any acquisition of beneficial ownership of 20% or more of the securities of either MJIC or Pubco other than as contemplated herein, (d) any acquisition by either MJIC or Pubco or any of their subsidiaries of any assets or capital stock of another person, or (e) any bona fide proposal to, or public announcement of an intention to, do any of the foregoing;
- (6) “**Ancillary Agreements**” means all agreements, certificates and other instruments delivered or given pursuant to this Agreement;
- (7) “**Applicable California Law**” means the *California Corporations Code*;
- (8) “**Applicable Delaware Law**” means the *General Corporation Law* (Delaware);
- (9) “**Applicable Laws**” in the context that refers to one or more Persons, means any domestic or foreign, federal, state, provincial or local law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a Government Agency and any terms and conditions of any

grant of approval, permission, authority or license of any Government Agency, that is binding upon or applicable to such Person or Persons or its or their business, undertaking, property or securities and emanate from a Person having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities;

(10) “**Applicable MJIC Class A Common Shares**” means the MJIC Class A Common Shares held by Applicable U.S. Stockholders as set out in Schedule “A” hereto, which are exchangeable for Resulting Issuer Class C Common Shares on the terms set forth herein;

(11) “**Applicable Securities Laws**” means applicable Canadian securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders having the force of law, in force from time to time;

(12) “**Applicable U.S. Stockholders**” means certain U.S. resident holders of MJIC Class A Common Shares as such holders are more particularly described in Schedule “A” hereto;

(13) “**Assets**” means the property and assets of MJIC, of every kind and description and wheresoever situated;

(14) “**BCBCA**” means the *Business Corporations Act* (British Columbia);

(15) “**BCSC**” means the British Columbia Securities Commission;

(16) “**Board of Directors**” means the board of directors of MJIC;

(17) “**Break Fee**” has the meaning set forth in Section 10.3;

(18) “**Business Day**” means any day, other than a Saturday, Sunday or statutory holiday in the Province of British Columbia, Canada;

(19) “**By-laws**” means the bylaws of MJIC adopted on February 11, 2015;

(20) “**Certificate of Merger**” means the Delaware certificate of merger filed with the Secretary of State of Delaware at the Effective Time, effecting the Merger;

(21) “**Closing**” means the completion of the Transactions contemplated herein, which Closing shall occur on or before July 31, 2019;

(22) “**Closing Date**” means the Business Day on which all conditions set forth in Part 9 (other than those conditions that by their nature are to be satisfied or waived at the Closing, but subject to the satisfaction or waiver of those conditions) are satisfied or waived or such other Business Day as the Parties may agree to in writing;

(23) “**Code**” means the United States Internal Revenue Code of 1986, as amended;

(24) “**Consolidation**” means the consolidation of Pubco Common Shares to be effective prior to the Merger on the basis of one (1) post-consolidation Pubco Common Share for every 1.333 Pubco Common Share existing immediately before the consolidation;

- (25) “**Confidential Information**” means all information, whether written, visual, oral or electronic, furnished by MJIC or Pubco (the “**Disclosing Party**”) related to its business, properties and assets, including but not limited to all contracts, financial information, economic data, project development plans, marketing plans, business plans, investor and financing information, partnering arrangements, customer lists, marketing terms and arrangements, pricing, products and service offerings, sales information, ideas, conceptions, photographs, visual demonstrations, computer records or software, specifications, models, analyses, forecasts, strategy papers, studies, equipment vendor information, patents, copyrights, trade secrets, processes or techniques, made available to the other party or its representatives (the “**Receiving Party**”); provided that it does not include information that (i) is generally available to or known by the public other than as a result of improper disclosure by the Receiving Party, or (ii) is obtained by the Receiving Party from a source other than the Disclosing Party, provided that (to the reasonable knowledge of the Receiving Party) such source was not bound by a duty of confidentiality to the Disclosing Party or another party with respect to such information;
- (26) “**Consideration Securities**” has the meaning set forth in Section 2.16(a);
- (27) “**Constating Documents**” means, in respect of Pubco, MJIC or Subco, as the case may be, the articles of incorporation, notice of articles, articles of incorporation, by-laws and all amendments to the same;
- (28) “**Contract**” means, with respect to a Person, any contract, instrument, permit, concession, licence, loan or credit agreement, note, bond, mortgage, indenture, lease or other agreement, partnership or joint venture agreement or other legally binding agreement, arrangement or understanding, whether written or oral, to which the Person is a party or by which, to the knowledge of such Person, the Person or its property and assets is bound or affected;
- (29) “**CSE**” means the Canadian Securities Exchange;
- (30) “**CSE Listing**” means the delisting of the Pubco Shares from the TSXV and the concurrent listing of the Resulting Issuer Shares on the CSE;
- (31) “**CSE Policy**” means Policy 8 Fundamental Changes and Changes of Business;
- (32) “**Disclosure Documents**” has the meaning set forth in Section 3.1(a)(vi);
- (33) “**Effective Date**” has the meaning set forth in Section 2.11;
- (34) “**Effective Time**” has the meaning set forth in Section 2.11;
- (35) “**Employee**” means any officer or employee of MJIC or a Person providing services in the nature of an employee to MJIC;
- (36) “**Exchange Approval**” means the conditional approval of the TSXV and the CSE with respect to the Acquisition and CSE Listing;

(37) “**Finders Fee Agreement**” means the agreement between MJIC and Haywood Securities Inc. dated March 7, 2019 in connection with the MJIC Financing, pursuant to which Haywood Securities Inc. will be paid a fee for finding subscribers to the MJIC Financing, of up to 6% of the gross proceeds of the MJIC Financing in cash and warrants convertible into MJIC Class A Common Shares up to an aggregate of 6% of MJIC Class A Common Shares issued pursuant to the MJIC Financing;

(38) “**Fundamental Change**” shall have the meaning ascribed to such term in the CSE Policy;

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

(40) “**Government Official**” means (i) any official, officer, employee, or representative of, or any individual acting in an official capacity for or on behalf of, any Government Agency, or (ii) any company, business, enterprise or other entity owned or controlled by any person described in the foregoing clauses;

(41) “**IFRS**” means International Financial Reporting Standards;

(42) “**Lien**” means any mortgage, encumbrance, charge, demand, pledge, hypothecation, security interest, assignment, lien (statutory or otherwise), charge, title retention agreement or arrangement, restrictive covenant or other encumbrance of any nature or any other arrangement or condition, which, in substance, secures payment, or performance of an obligation;

(43) “**Listing Date**” means the date that the Resulting Issuer Common Shares are listed on the CSE;

(44) “**Listing Statement**” means the Form 2A listing statement of Pubco in the form prescribed by the CSE, pertaining to the Fundamental Change of Pubco and the Acquisition, which shall be filed with the CSE and on SEDAR prior to Closing;

(45) “**Lock-up Agreements**” means collectively, the Restricted Holder Lock-up Agreement, the Pubco Shareholder Lock-up Agreement, and the Pubco Warrantholder Lock-up Agreement;

(46) “**Materially Adverse**” when used in respect of a fact, circumstance, change, effect, occurrence, event or term means a fact, circumstance, change, effect, occurrence, event or term that (i) materially and adversely affects, or would reasonably be expected to materially and adversely affect, the business, assets, liabilities, condition (financial or otherwise) or capital of MJIC or Pubco, as the case may be, or (ii) prevents, or would reasonably be expected to prevent, MJIC or Pubco, as the case may be, from performing its obligations under this Agreement or consummating the transactions contemplated herein; provided, however, that it will not include: (i) any fact, circumstance, event,

change, effect, occurrence, event or term relating to the global economy or securities markets in general; or (ii) any fact, circumstance, change, effect, occurrence or event affecting the industry in which MJIC or Pubco operates in general and which, in each case, does not have a materially disproportionate effect on MJIC or Pubco relative to comparable entities operating in the industry in which MJIC or Pubco conducts its business;

(47) “**Material Adverse Change**” or “**Material Adverse Effect**” with respect to Pubco or MJIC, as the case may be, means any change, event, violation, inaccuracy, circumstance or effect that is Materially Adverse to the business, assets (including intangible assets), liabilities, capitalization, ownership, financial condition or results of operations of Pubco or MJIC, as the case may be, on a consolidated basis;

(48) “**Merger**” means the merger of Subco and MJIC pursuant to the provisions of the Applicable Delaware Law and the terms and conditions of this Agreement;

(49) “**MJIC**” has the meaning given to such term on the cover page hereto;

(50) “**MJIC Alternative Transaction Offer**” has the meaning set forth in Section 6.3;

(51) “**MJIC Class A Common Shares**” means Class A common shares of MJIC, with each such share allowing the holder thereof to cast one vote per share;

(52) “**MJIC Class B Common Shares**” means the Class B common shares of MJIC, with each such share consisting of no voting rights but being convertible into MJIC Class A Common Shares on a one (1) to one (1) basis on the date that is twelve (12) months from the Listing Date;

(53) “**MJIC Convertible Notes**” means the USD\$4,880,101 principal amount convertible notes of MJIC, which, together with accrued interest, shall be convertible upon maturity into an aggregate of up to 2,333,043 MJIC Class A Common Shares and 4,666,086 MJIC Warrants;

(54) “**MJIC Dissent Rights**” means the rights of dissent exercisable by MJIC Shareholders in respect of the MJIC Meeting Matters under Applicable California Law;

(55) “**MJIC Dissenting Shares**” means MJIC Shares held by a MJIC Shareholder who has made a demand that MJIC purchase such MJIC Shares at their fair market value in accordance with section 17602 of Applicable California Law;

(56) “**MJIC Financing**” means the non-brokered private placement offering by MJIC of up to 8,888,889 MJIC Class A Common Shares at a price of USD\$2.25 per MJIC Class A Common Shares for aggregate gross proceeds of up to USD\$20,000,000, subject to MJIC’s ability to increase or decrease the size of the private placement at its sole discretion;

(57) “**MJIC Financial Statements**” means the audited and interim unaudited financial statements of MJIC and pro forma financial statements of MJIC for the financial years

ended November 30, 2018 and 2017, and three-months ended February 28, 2019, all of which shall be prepared in accordance with IFRS and applicable Canadian and U.S. accounting standards;

(58) “**MJIC Founders**” has the meaning set forth in Section 2.15(a);

(59) “**MJIC’s Intellectual Property**” means all of the following and similar intangible property and related proprietary rights, interests and protections, however arising, pursuant to the Applicable Laws of any jurisdiction throughout the world relating to, among other things, the products produced by MJIC, including: (a) trademarks, including the trademarks, service marks, trade names, brand names, logos, trade dress and other proprietary indicia of goods and services, whether registered, unregistered or arising by Applicable Laws, and all registrations and applications for registration of such trademarks, including intent-to-use applications, and all issuances, extensions and renewals of such registrations and applications related to any of the products produced by MJIC; (b) internet domain names; (c) original works of authorship of product technology or otherwise in any medium of expression, whether or not published, all copyrights (whether registered, unregistered or arising by Applicable Laws), all registrations and applications for registration of such copyrights, and all issuances, extensions and renewals of such registrations and applications; (d) Confidential Information (as defined herein), plans, diagrams, schematics, specifications, manufacturing and/or preparation techniques, ideas, plans, designs, concepts, devices, technology, know-how, research and development, inventions, methods, processes, compositions, business records, customer lists and other trade secrets involving vaporizer products or otherwise, whether or not patentable; and (e) patented and patentable designs and inventions, all design, plant and utility patents, letters patent, utility models, pending patent applications and provisional applications and all issuances, divisions, continuations, continuations-in-part, reissues, extensions, re-examinations and renewals of such patents and applications;

(60) “**MJIC Meeting**” means the annual meeting of the shareholders of MJIC for the consideration of the MJIC Meeting Matters;

(61) “**MJIC Meeting Matters**” means, *inter alia*, the items to be approved by MJIC Shareholders at the MJIC Meeting with respect to the Transactions;

(62) “**MJIC Options**” means the options to purchase MJIC Shares as described in Schedule “B” to this Agreement;

(63) “**MJIC Securities**” means all of the equity securities of MJIC, being the MJIC Class A Common Shares, the MJIC Class B Common Shares, the MJIC Series A Convertible Preferred Shares, the MJIC Notes, the MJIC Warrants and the MJIC Options;

(64) “**MJIC Series A Convertible Preferred Shares**” means the Series A convertible preferred shares in the capital of MJIC, with each such share allowing the holder thereof to cast one (1) vote per share, and with each such share being convertible into MJIC Class A Common Shares on a one (1) to one (1) basis at any time at the option of the holder thereof, but in no event later than the Listing Date;

(65) “**MJIC Shareholders**” means holders of MJIC Shares prior to the Merger;

- (66) “**MJIC Shares**” means the MJIC Class A Common Shares and the MJIC Class B Common Shares;
- (67) “**MJIC Shareholder Approval**” means the requisite shareholder approval for the MJIC Meeting Matters at the MJIC Meeting;
- (68) “**MJIC Warrants**” means the common share purchase warrants of the MJIC as described in Schedule “C” to this Agreement;
- (69) “**Name Change**” means a change of the name of Pubco from “P&P Ventures Inc.” to “ManifestSeven Holdings Corp.” or such other name as is agreed to by MJIC and Pubco;
- (70) “**Party**” means any of Pubco, Subco or MJIC, as the context dictates, and “**Parties**” means Pubco, Subco and MJIC;
- (71) “**Person**” includes an individual, corporation, partnership, joint venture, trust, unincorporated organization or Government Agency, and “**Persons**” means two or more thereof;
- (72) “**Proceeding**” means any action, arbitration, claim, hearing, investigation, litigation or suit (whether civil, criminal, administrative, investigative or informal) commenced, brought, conducted or heard by or before, or otherwise involving, any governmental authority or other person, including, any arbitrator;
- (73) “**Pubco**” has the meaning given to such term on the cover page hereto;
- (74) “**Pubco Alternative Transaction Offer**” has the meaning set forth in Section 7.3;
- (75) “**Pubco Assets**” means the property and assets of Pubco, of every kind and description and wheresoever situated;
- (76) “**Pubco Common Shares**” means the common shares in the capital of Pubco, with each such share allowing the holder thereof to cast one vote per share;
- (77) “**Pubco Class B Common Shares**” means the newly created Class B common shares in the capital of Pubco, with each such share consisting of no voting rights but being convertible on a one (1) to one (1) basis into Resulting Issuer Common Shares on the date that is twelve (12) months from the Listing Date;
- (78) “**Pubco Class C Common Shares**” means the newly created Class C multiple voting shares in the capital of Pubco, with each such share consisting of (i) ten (10) votes allowed per share thereof, and (ii) immediately upon the date that is twelve (12) months from the Closing Date, be convertible into Resulting Issuer Common Shares at a ratio of ten (10) Pubco Class C Common Shares to one Resulting Issuer Common Share;
- (79) “**Pubco’s Closing Documents**” means the documents required to be delivered to MJIC by Pubco pursuant to Section 9.2 hereof;

(80) “**Pubco’s Financial Statements**” means the audited and interim unaudited financial statements of Pubco and pro forma financial statements of Pubco for the years ended December 31, 2018 and December 31, 2017, all of which shall be prepared in accordance with IFRS and applicable Canadian and U.S. accounting standards;

(81) “**Pubco Meeting**” means the special meeting of the shareholders of Pubco for the consideration of the Pubco Meeting Matters;

(82) “**Pubco Meeting Materials**” means the notice of meeting, information circular and proxy materials of Pubco to be distributed to Pubco Shareholders in connection with the Pubco Meeting;

(83) “**Pubco Meeting Matters**” means, *inter alia*, the following items to be approved by the shareholders at the Pubco Meeting with respect to Pubco:

- (a) the amendment of Pubco’s Constating Documents to increase the size of Pubco’s board of directors, the election of the directors of Pubco to serve on the board of the Resulting Issuer from the effective time of the completion of the Transactions;
- (b) the Merger;
- (c) the Consolidation;
- (d) the Share Amendment;
- (e) the delisting of the Pubco Shares from the TSXV;
- (f) the CSE Listing;
- (g) the Name Change;
- (h) the amendment to Pubco’s Constating Documents, as required;
- (i) the adoption of the Stock Option Plan to be implemented following the Closing; and
- (j) such further or other matters as shall properly come before the Pubco Meeting.

(84) “**PubCo Notes**” means \$1 million of convertible notes issued by PubCo, which on a post-Consolidation basis shall be convertible into 15 million PubCo Common Shares and 15 million PubCo Warrants.

(85) “**Pubco Shareholders**” means the holders of Pubco Shares prior to the Merger;

(86) “**Pubco Shares**” means the Pubco Common Shares, the Pubco Class B Common Shares and the Pubco Class C Common Shares;

(87) “**Pubco Shareholder Lock-up Agreement**” has the meaning set forth in Section 2.15(a)(ii);

- (88) “**Pubco Warrantholder Lock-up Agreement**” has the meaning set forth in Section 2.15(a)(iii);
- (89) “**Pubco Warrants**” means the share purchase warrants of Pubco, with each warrant entitling the holder thereof to purchase one (1) Pubco Common Share at an exercise price of \$0.055 on a pre-Consolidation basis with an expiry date of January 4, 2020, which will be issued on conversion of the PubCo Notes;
- (90) “**Pubco Warrantholders**” means the holders of Pubco Warrants;
- (91) “**Regulation D**” means Regulation D promulgated under the U.S. Securities Act;
- (92) “**Regulation S**” means Regulation S promulgated under the U.S. Securities Act;
- (93) “**Restricted Holders**” means all MJIC Shareholders excluding the MJIC Founders;
- (94) “**Restricted Holder Lock-up Agreement**” has the meaning set forth in Section 2.15(a)(i);
- (95) “**Resulting Issuer**” has the meaning set forth in Section 2.7;
- (96) “**Resulting Issuer Common Shares**” means the Common shares in the capital of the Resulting Issuer, with each such share having attached thereto the same special rights and restrictions as the Pubco Common Shares;
- (97) “**Resulting Issuer Class B Common Shares**” means the Class B common shares in the capital of the Resulting Issuer, with each such share having attached thereto the same special rights and restrictions as the Pubco Class B Common Shares;
- (98) “**Resulting Issuer Class C Common Shares**” means the Class C common shares in the capital of the Resulting Issuer, with each such share having attached thereto the same special rights and restrictions as the Pubco Class C Common Shares;
- (99) “**Resulting Issuer Replacement Options**” means the options of the Resulting Issuer for which MJIC Options shall be exchanged as provided in Section 2.5 hereof;
- (100) “**Resulting Issuer Replacement Securities**” means the Resulting Issuer Replacement Options and Resulting Issuer Replacement Warrants;
- (101) “**Resulting Issuer Replacement Warrants**” means the common share purchase warrants of the Resulting Issuer for which MJIC Warrants shall be exchanged as provided in Section 2.5 hereof;
- (102) “**Resulting Issuer Shares**” means the Resulting Issuer Common Shares, the Resulting Issuer Class B Common Shares and the Resulting Issuer Class C Common Shares;
- (103) “**Resulting Issuer Shareholders**” means the holders of the Resulting Issuer Shares;

- (104) “**Share Amendment**” means the amendment to the articles of Pubco providing for the creation of two (2) additional classes of shares of Pubco, being (i) the Pubco Class B Common Shares, and (ii) the Pubco Class C Common Shares;
- (105) “**Securities Act**” means the *Securities Act* (British Columbia);
- (106) “**Stock Option Plan**” means the 10% rolling incentive stock option plan of Pubco approved by the Pubco Shareholders at the Pubco Meeting;
- (107) “**Subco**” has the meaning given to such term on the cover page hereto;
- (108) “**Subco Shares**” means all of the outstanding common shares of Subco;
- (109) “**Surviving Corporation**” has the meaning ascribed thereto in Section 2.1;
- (110) “**SEDAR**” means the System for Electronic Document Analysis and Retrieval administered by the Canadian Securities Administrators;
- (111) “**Tax Act**” means the *Income Tax Act* (Canada), RSC 1985, c 1;
- (112) “**Taxes**” means all taxes (including income tax, capital tax, payroll taxes, employer health tax, workers’ compensation payments, property taxes and land transfer taxes), duties, royalties, levies, imposts, assessments, deductions, charges or withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto;
- (113) “**Tax Returns**” means any return, declaration, report, claim for refund or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof;
- (114) “**Termination Date**” has the meaning given to the term in Section 10.1;
- (115) “**Transactions**” mean the MJIF Financing, the Consolidation, the Share Amendment, Merger, the Acquisition, the TSXV delisting, the Name Change, the CSE Listing, and all transactions contemplated herein;
- (116) “**Treasury Regulations**” means the regulations promulgated under the Internal Revenue Code of the United States, as may be amended from time to time;
- (117) “**TSXV**” means the TSX Venture Exchange, including the NEX board of the TSXV;
- (118) “**U.S. Person**” means a “U.S. person” as such term is defined in Rule 902 of Regulation S;
- (119) “**U.S. Securities Act**” means the *United States Securities Act of 1933*, as amended, and the rules and regulations promulgated thereunder; and

(120) “**USA**”, “**United States**”, or “**U.S.**” means the United States of America, its territories and possessions, and any state of the United States, and the District of Columbia.

Section 1.2 Interpretation

For the purposes of this Agreement, except as otherwise expressly provided herein:

- (a) The words “herein”, “hereof”, and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Part, clause, subclause or other subdivision or Schedule or Exhibit.
- (b) A reference to a Part means a Part of this Agreement and the symbol Section followed by a number or some combination of numbers and letters refers to the Section, paragraph or subparagraph of this Agreement so designated.
- (c) The headings are for convenience only, do not form a part of this Agreement and are not intended to interpret, define or limit the scope, extent or intent of this Agreement or any of its provisions.
- (d) The word “including”, when following a general statement, term or matter, is not to be construed as limiting such general statement, term or matter to the specific items or matters set forth or to similar items or matters (whether or not qualified by non-limiting language such as “without limitation” or “but not limited to” or words of similar import) but rather as permitting the general statement or term to refer to all other items or matters that could reasonably fall within its possible scope.
- (e) Where the phrase “to the knowledge of” or phrases of similar import are used in respect of the Parties, it will be a requirement that the Party in respect of who the phrase is used will have made such due inquiries as is reasonably necessary to enable such Party to make the statement or disclosure.
- (f) Unless there is something in the subject matter or context inconsistent therewith:
 - (i) words in the singular number include the plural and such words shall be construed as if the plural had been used;
 - (ii) words in the plural include the singular and such words shall be construed as if the singular had been used; and
 - (iii) words importing the use of any gender shall include all genders where the context or the Party referred to so requires, and the rest of the sentence shall be construed as if the necessary grammatical and terminological changes had been made.

Section 1.3 Schedules

The schedules to this Agreement, listed below, are an integral part of this Agreement, and must be completed and attached before the Closing Date for this Agreement to be fully-integrated and thereafter enforceable by or against either Party:

<u>Schedule</u>	<u>Description</u>
Schedule “A”	List of Applicable U.S. Stockholders
Schedule “B”	MJIC Options
Schedule “C”	MJIC Warrants
Schedule “D”	Form of U.S. Representation Letter
Schedule “E”	MJIC Corporate Structure
Schedule “F”	Voting Support Agreements

ARTICLE 2- TRANSACTION

Section 2.1 Agreement to Merge

Upon the terms and subject to the conditions contained in this Agreement, the Parties hereby agree that, pursuant to the Merger, Subco shall merge with MJIC at Closing and Subco, being the entity surviving such merger (the “**Surviving Corporation**”), shall be named “**ManifestSeven Holdings Corporation**”, or such other name that is acceptable to MJIC. Pubco, in its capacity as the sole shareholder of Subco, and MJIC shall approve (or seek the approvals of) this Agreement and the Merger as soon as reasonably practicable with the intent that the same shall be completed on or before June 30, 2019, or such other date agreed upon in writing by the Parties.

Section 2.2 Pubco Meeting

Subject to the terms of this Agreement:

- (a) Pubco agrees to convene and conduct the Pubco Meeting in accordance with Pubco’s Constating Documents and Applicable Laws as soon as reasonably practicable and any event on or before May 31, 2019. Pubco agrees that it shall, in consultation with MJIC and in accordance with Applicable Laws, prepare the Pubco Meeting Materials and set a record date for the purpose of determining which Pubco Shareholders are entitled to receive notice of and vote at the Pubco Meeting.
- (b) Except as required for quorum purposes or otherwise permitted under this Agreement and Applicable Laws, Pubco shall not adjourn, postpone, cancel or propose, or permit the adjournment, postponement or cancellation of, the Pubco Meeting without the prior written consent of MJIC, such consent not to be unreasonably withheld or delayed.

- (c) Pubco will advise MJIC on a daily basis on each of the ten (10) Business Days prior to the date of the Pubco Meeting of the aggregate tally of proxies received by Pubco in connection with the Pubco Meeting Matters.
- (d) Pubco will promptly advise MJIC of any written notice of dissent or purported exercise of Pubco Dissent Rights received in connection with the Pubco Meeting Matters and any withdrawal of Pubco Dissent Rights received by Pubco and any written communications sent by or on behalf of any Pubco Shareholder exercising or purporting to exercise Pubco Dissent Rights in connection with the Pubco Meeting Matters.

Section 2.3 MJIC Meeting

Subject to the terms of this Agreement:

- (a) MJIC agrees to convene and conduct the MJIC Meeting in accordance with MJIC's Constating Documents and Applicable California Law as soon as reasonably practicable and any event on or before April 15, 2019.
- (b) Except as required for quorum purposes or otherwise permitted under this Agreement and Applicable Laws, MJIC shall not adjourn, postpone or cancel, or propose or permit the adjournment, postponement or cancellation of, the MJIC Meeting without the prior written consent of Pubco, such consent not to be unreasonably withheld or delayed.
- (c) MJIC will promptly advise Pubco of any written notice of dissent or purported exercise of MJIC Dissent Rights received in connection with the MJIC Meeting Matters and any withdrawal of MJIC Dissent Rights received by MJIC and any written communications sent by or on behalf of any MJIC Shareholder exercising or purporting to exercise MJIC Dissent Rights in connection with the MJIC Meeting Matters.

Section 2.4 Pubco Meeting Materials and Listing Statement

- (a) As promptly as reasonably practicable following execution of this Agreement with a targeted date on or before April 30, 2019, (i) each of the Parties shall furnish all information regarding such Party as may be required to be included in the Pubco Meeting Materials and the Listing Statement under Applicable Laws; (ii) Pubco and MJIC shall work together to prepare the Pubco Meeting Materials, the Listing Statement, and any other documents required by Applicable Laws, (iii) Pubco shall (A) file the Pubco Meeting Materials in all jurisdictions where the same is required to be filed, (B) mail the Pubco Meeting Materials as required in accordance with all Applicable Laws, and (C) Pubco shall file the Listing Statement and other required filings with applicable regulatory authorities in all jurisdictions where the same is required to be filed.
- (b) Each of the Parties shall ensure that the information furnished by such Party that is reasonably required to be included in the Pubco Meeting Materials and the Listing Statement under Applicable Laws complies in all material respects with all

Applicable Laws, and, without limiting the generality of the foregoing, that such information that is included in the Pubco Meeting Materials and the Listing Statement will not contain any misrepresentation.

- (c) Each of the Parties shall use commercially reasonable efforts to obtain any necessary consents from its auditors and any other advisors authorizing the use of any financial, technical or other expert information required to be included in the Pubco Meeting Materials and/or the Listing Statement and to the disclosure in the Pubco Meeting Materials and/or the Listing Statement of each such advisor.
- (d) MJIC, Pubco and their respective legal counsel shall be given a reasonable opportunity to review and comment on drafts of the Pubco Meeting Materials, the Listing Statement and other documents related thereto, and reasonable consideration shall be given to any comments made by MJIC, Pubco and their respective advisors, provided that all information relating solely to Pubco included in the Pubco Meeting Materials and the Listing Statement shall be in form and content satisfactory to Pubco, acting reasonably, and all information relating solely to MJIC included in the Pubco Meeting Materials and the Listing Statement shall be in form and content satisfactory to MJIC, acting reasonably.
- (e) The Parties shall promptly notify each other if, at any time before the date of the Pubco Meeting, the Pubco Meeting Materials, or, prior to the date of filing the Listing Statement, either party becomes aware that the Listing Statement or the Pubco Meeting Materials contain any untrue statements of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made, or that otherwise requires an amendment or supplement to the Listing Statement or the Pubco Meeting Materials, and the Parties shall cooperate in the preparation of any amendment or supplement to such documents, as the case may be, as required or appropriate.
- (f) Pubco represents, warrants, covenants and agrees with MJIC that Pubco:
 - (i) shall mail to the Pubco Shareholders the Pubco Meeting Materials in accordance with Pubco's Constituting Documents and Applicable Laws, and shall recommend the approval of the Transactions;
 - (ii) prior to the Closing, will effect the Name Change, Consolidation and Share Amendment;
 - (iii) except for non-substantive communications, will furnish promptly to MJIC a copy of each notice, report, schedule or other document delivered, filed or received by it in connection with (i) the Merger and Acquisition, (ii) the Share Amendment (iii) any filings under Applicable Securities Laws, and (iv) any dealings with regulatory agencies in connection with the Transactions; and
 - (iv) will immediately notify MJIC of any legal or governmental action, suit, judgment, investigation, injunction, complaint, action, suit, motion,

judgement, regulatory investigation, regulatory proceeding or similar proceeding by any Person, Government Agency or other regulatory body, whether actual or threatened, with respect to the Transactions or which could otherwise delay or impede the transactions contemplated hereby or materially impair the value of Pubco.

Section 2.5 Merger and Acquisition Events

Upon the terms and subject to the conditions set forth in this Agreement and in compliance with Applicable Laws, at the Effective Time:

- (a) The MJIC Convertible Notes issued and outstanding immediately prior to the Effective Time will be converted into 6,999,129 Class A Common Shares and 13,998,258 MJIC Warrants pursuant to the terms of the MJIC Convertible Notes, which shall be issued to the holders of the MJIC Convertible Notes pro rata in proportion to their holdings of the MJIC Convertible Notes.
- (b) The 250,000 Series A Convertible Preferred Shares issued and outstanding immediately prior to the Effective Time will be converted into 250,000 Class A Common Shares pursuant to the terms of the Series A Convertible Preferred Shares, which shall be issued to the holders of Series A Convertible Preferred Shares pro rata in proportion to their holdings of Series A Convertible Preferred Shares.
- (c) Each MJIC Class A Common Share issued and outstanding immediately prior to the Effective Time shall be exchanged by each holder thereof, other than the Applicable MJIC Class A Common Shares, for three (3) fully paid non-assessable Resulting Issuer Common Shares.
- (d) Each Applicable MJIC Class A Common Share issued and outstanding immediately prior to the Effective Time and held by an Applicable U.S. Stockholder shall be exchanged by each holder thereof for three tenths (0.3) of a fully paid and non-assessable Resulting Issuer Class C Common Shares. For greater certainty, no fractional shares of Resulting Issuer Class C Common Shares shall be issued, and any such fractional share shall be rounded to the nearest whole number of shares.
- (e) Each MJIC Class B Common Share issued and outstanding immediately prior to the Effective Time shall be exchanged by each holder thereof for three (3) fully paid non-assessable Resulting Issuer Class B Common Shares;
- (f) Each MJIC Class A Common Share exchanged for three (3) fully paid and non-assessable Resulting Issuer Common Shares in accordance with subsection 2.3(a) hereof shall be cancelled.
- (g) Each MJIC Class A Common Share exchanged for three (3) fully paid and non-assessable Resulting Issuer Class C Common Shares in accordance with subsections 2.3(b) hereof shall be cancelled.

- (h) Each MJIC Class B Common Share exchanged for three (3) fully paid and non-assessable Resulting Issuer Class B Common Shares in accordance with subsection 2.3(c) hereof shall be cancelled.
- (i) Each MJIC Warrant outstanding immediately prior to the Effective Time shall be exchanged for three (3) Resulting Issuer Replacement Warrant on economically equivalent terms.
- (j) Each MJIC Option outstanding immediately prior to the Effective Time shall be exchanged for three (3) Resulting Issuer Replacement Option on economically equivalent terms.
- (k) The one (1) Subco Share issued and outstanding immediately prior to the Effective Time shall be exchanged for one (1) share of common stock of the Surviving Corporation.
- (l) The Surviving Corporation shall be a wholly-owned subsidiary of the Resulting Issuer and the MJIC Shareholders shall become Resulting Issuer Shareholders.

Section 2.6 Share Certificates

On the Effective Date:

- (a) The original one (1) share certificate representing the one (1) Subco Share registered in the name of Pubco shall be cancelled and Pubco shall be issued one (1) share certificate representing the one (1) share of the common stock of the Surviving Corporation to be issued to Pubco as provided in Section 2.5 hereof.
- (b) Subject to the treatment of MJIC Dissenting Shares in Section 2.14 hereof, certificates or other evidence representing the MJIC Shares, MJIC Warrants and MJIC Options shall cease to represent any claim upon or interest in MJIC other than the right of the holder thereof to receive, pursuant to the terms hereof, Resulting Issuer Shares and Resulting Issuer Replacement Securities in accordance with Section 2.5 hereof.
- (c) Upon the delivery and surrender by the holder thereof to the Resulting Issuer of certificates representing MJIC Shares, MJIC Warrants and MJIC Options, which have been exchanged for Resulting Issuer Shares and Resulting Issuer Replacement Securities in accordance with the provisions of Section 2.5 hereof, the Resulting Issuer shall on the Effective Date, or as soon as practicable thereafter following the date of receipt by the Resulting Issuer of the certificates referred to above, deliver to each such holder certificates representing the number of Resulting Issuer Shares and Resulting Issuer Replacement Securities to which such holder is entitled or other evidence of ownership.

Section 2.7 Resulting Issuer

Pubco will, upon completion of the Acquisition, be known as ManifestSeven Holdings Corporation (the “**Resulting Issuer**”), will have five (5) directors, and the following will be the

directors and officers of the Resulting Issuer immediately following the completion of the Acquisition:

Directors

Name	Title
Kristin Fox	Director
Sturges Karban	Director
Scott Wessler	Director
Jarrod Smith	Director
Daniel Sekers	Director

Officers

Name	Title
Sturges Karban	Chief Executive Officer
Pierre Rouleau	Chief Operating Officer
Dmitry Gordeychev	Chief Investment Officer
Jordan Gerber	Chief Financial Officer
Urban Smedeby	President
Lawrence W. Horwitz	Corporate Secretary

Section 2.8 Surviving Corporation

Unless otherwise determined in accordance with Applicable Laws by the Surviving Corporation or its stockholder(s), the following provisions will apply:

- (a) **Number of Directors.** The board of directors of the Surviving Corporation shall consist of a maximum of five (5) directors.
- (b) **Officers and Directors.** As of the Effective Time, the initial directors of the Surviving Corporation shall be the same as the Resulting Issuer. As of the Effective Time, the initial officers of the Surviving Corporation and their titles shall be the same as the Resulting Issuer.
- (c) **Fiscal Year.** The fiscal year end of the Surviving Corporation shall be November 30th, unless and until changed by resolution of the Surviving Corporation's board of directors.

- (d) **Name.** The name of the Surviving Corporation shall be “**ManifestSeven Holdings Corporation**” or such other name as agreed to by the Parties.
- (e) **Registered Office.** The registered office of the Surviving Corporation shall be the registered office of the 3500 S. DuPont Highway, Dover, Delaware 19901.
- (f) **Authorized Capital.** The authorized capital of the Surviving Corporation shall be the authorized capital of Subco as provided in Subco’s Certificate of Incorporation.
- (g) **Certification of Incorporation Bylaws.** The Certificate of Incorporation and the Bylaws of Subco shall be the Certificate of Incorporation and Bylaws of the Surviving Corporation with any amendments thereto as may be necessary to give effect to this Agreement following the filing of the Certificate of Merger.
- (h) **Business and Powers.** There shall be no restriction on the business that the Surviving Corporation may carry on nor on the powers that the Surviving Corporation may exercise.

Section 2.9 Fractional Shares

No fractional Resulting Issuer Shares will be issued or delivered pursuant to the Transactions. Any fractional share will be rounded down to the next lowest number and no consideration will be paid in lieu thereof. In calculating such fractional interests, all securities of the Resulting Issuer registered in the name of, or beneficially held, by a securityholder or their nominee shall be aggregated.

Section 2.10 Effect of Merger

At the Effective Time:

Subco shall merge with and into MJIC under the DGCL with the Surviving Corporation continuing as the surviving company subsequent to the Merger in accordance with the terms and conditions prescribed in this Agreement;

- (a) all of the property, assets, rights and privileges of Subco shall become the property, assets, rights and privileges of MJIC, and all of the liabilities and obligations of Subco shall become the liabilities and obligations of MJIC, which will thereafter be referred to as the Surviving Corporation;
- (b) the Certificate of Incorporation and the bylaws of Subco are deemed to be the Certificate of Incorporation and the bylaws of the Surviving Corporation; and
- (c) the officers and directors of the Surviving Corporation shall be those individuals described in Section 2.8(b) hereof.

Section 2.11 Filing of Certificate of Merger

Following the approval of the Transactions by the MJIC Shareholders and the Pubco Shareholders, as applicable, and subject to the satisfaction or waiver of all of the conditions precedent set forth herein, MJIC and Subco shall file the Certificate of Merger and such other

documents as required under Applicable Delaware Law with the Secretary of State of Delaware to effect the Merger. The Merger shall become effective on the date (the “**Effective Date**”) and at the time (the “**Effective Time**”) of filing of the Certificate of Merger or at such other time as may be specified in the Certificate of Merger as filed. If the Secretary of State of Delaware requires any changes to the Certificate of Merger as a condition to filing or issuing its approval to the effect the Merger, Pubco, Subco and MJIC will make any necessary revisions and execute any necessary documents incorporating such changes, provided such changes are not inconsistent with and do not result in any material change in the terms of this Agreement.

Section 2.12 Closing

Upon the terms and subject to the conditions set forth herein, the Closing shall take place on the Closing Date at the offices of McMillan LLP at 1500 – 1055 West Georgia Street, Vancouver, British Columbia, Canada, or at such other location as MJIC and Pubco agree.

Section 2.13 Adjustment

In the event of any stock split, reverse stock split, stock dividend (including any dividend or distribution of securities convertible into common shares), reorganization, reclassification, combination, recapitalization or other like change with respect to the Pubco Common Shares occurring after the date hereof and prior to the Effective Time, all references herein to specific numbers of shares of any class or series affected thereby shall be equitably adjusted to the extent necessary to provide the Parties with the same economic effect as contemplated by this Agreement prior to such stock split, reverse stock-split, stock dividend, reorganization, reclassification, combination, recapitalization or other like change.

Section 2.14 Dissenting Shares

Notwithstanding anything to the contrary contained in this Agreement, MJIC Shares held by a holder who has made a demand that MJIC purchase such MJIC Shares at their fair market value in accordance with section 17602 of Applicable California Law (the “**MJIC Dissenting Shares**”) shall not be converted into or represent the right to receive the applicable consideration in accordance with Section 2.5, but shall be entitled only to such rights as are granted by Applicable California Law to a holder of MJIC Dissenting Shares. At the Effective Time, all MJIC Dissenting Shares shall no longer be outstanding and shall automatically be canceled and shall cease to exist, and each holder of MJIC Dissenting Shares shall cease to have any rights with respect thereto, except the right to receive the fair market value of such MJIC Dissenting Shares in accordance with Applicable California Law. Notwithstanding the foregoing, if any MJIC Dissenting Shares shall lose their status as such (through failure to perfect or otherwise), then, as of the later of the Effective Time or the date of loss of such status, such shares shall automatically be converted into and shall represent only the right to receive the applicable Merger consideration, without interest thereon, promptly following the surrender of the certificate or certificates representing such MJIC Shares. MJIC shall give Pubco prompt notice of any written demand received by MJIC prior to the Effective Time to require MJIC to purchase MJIC Shares pursuant to Applicable California Law. MJIC shall not make any payment or settlement offer prior to the Effective Time with respect to any such demand without prior written consent of Pubco.

Section 2.15 Restrictions on Resale and Escrow and Lock-up

- (a) At the Closing, all directors, officers, insiders and promoters of MJIC (the “**MJIC Founders**”) shall, pursuant to the policies of the CSE, be subject to an escrow term of 36 months, with the escrowed Resulting Issuer Common Shares, Resulting Issuer Class B Shares, and/or Resulting Issuer Class C Shares, as the case may be, to be released from escrow on the following schedule: (i) 10% at the Closing Date; and (ii) an additional 15% released at the end of every 6 month period, beginning on the date that is 6 months after the Closing Date, over a period of 36 months. Notwithstanding the foregoing, the Parties acknowledge and understand that certain Resulting Issuer Shareholders will receive Resulting Issuer Class C Common Shares instead of Resulting Issuer Common Shares, so that the Resulting Issuer is able to comply with foreign private issuer rules under applicable U.S. securities law. In addition to the foregoing, at Closing:
- (i) the Restricted Holders shall enter into a voluntary lock up agreement pursuant to which their escrowed securities, being Resulting Issuer Common Shares, Resulting Issuer Class B Common Shares, and/or Resulting Issuer Class C Common Shares, as the case may be, will be released in accordance with the following schedule
- (A) 5% on the Closing Date;
- (B) 10% on the date that is 6 months from the Closing Date;
- (C) 10% on the date that is 9 months from the Closing Date;
- (D) 15% on the date that is 12 months for the Closing Date;
- (E) 25% on the date that is 15 months from the Closing Date;
- (F) 35% on the date that is 18 months from the Closing Date;
- (the “**Restricted Holder Lock-up Agreement**”);
- (ii) the Pubco Shareholders holding no less than 15,000,000 PubCo Shares on conversion of the PubCo Notes and currently outstanding shall enter into a voluntary lock up agreement on the following schedule:
- (A) 25% on the Closing Date;
- (B) 25% on the date that is 4 months from the Closing Date;
- (C) 25% on the date that 8 months from the Closing Date; and
- (D) 25% on the date that is 12 months for the Closing Date.
- (the “**Pubco Shareholder Lock-up Agreement**”); and

- (iii) The Pubco Warrantholders issued warrants on the conversion the PubCo Notes and currently outstanding shall enter into a voluntary lock up agreement on the following schedule, provided that only 50% of the warrants held by such PubCo Warrantholders will be subject to this escrow:
- (A) 33% on the date that is 4 months from the Closing Date;
 - (B) 33% on the date that 8 months from the Closing Date; and
 - (C) 34% on the date that is 12 months for the Closing Date.

(the “**Pubco Warrantholder Lock-up Agreement**”).

Section 2.16 Limitations on Trading

- (a) The Resulting Issuer Shares and Resulting Issuer Replacement Securities issued in exchange for the MJIC Securities (the “**Consideration Securities**”) will be issued by the Resulting Issuer in such a manner as to be (i) exempt or excluded from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws, and (ii) exempt from the prospectus and registration requirements of the securities laws, rules and regulations of British Columbia, and such Resulting Issuer Shares will be subject to resale restrictions under Applicable Securities Laws.
- (b) Pubco will rely on Rule 903 of Regulation S to offer and sell Consideration Shares to MJIC Shareholders who are neither U.S. Persons nor within the United States, and who are not acting for the account or benefit of a U.S. Person or a person in the United States. It is anticipated that, in offering Consideration Securities to, or for the account or benefit of, a U.S. Person or a person in the United States as contemplated hereby, Pubco will rely on Rule 506(b) of Regulation D. MJIC hereby acknowledges and agrees that the Consideration Securities issued in reliance on Rule 506(b) of Regulation D will be issued as “restricted securities” as defined in Rule 144(a)(3) under the U.S. Securities Act, and will be represented by definitive certificates endorsed with a U.S. restrictive legend in customary form.
- (c) Each MJIC Shareholder and holder of MJIC Options and/or MJIC Warrants who is resident in the United States or is otherwise a U.S. Person, or consents to the Merger from within the United States, will, as a condition of receiving Consideration Securities upon completion of the Merger, be required to deliver a U.S. Representation Letter in the form required by Pubco attached hereto as Schedule “D”.

Section 2.17 U.S. Tax Treatment

For U.S. federal income tax purposes, this Agreement is intended to constitute, and the Parties hereby adopt this Agreement as, a “plan of reorganization” within the meaning of Treasury Regulations Section s 1.368-2(g) and 1.368-3(a). Each Party agrees that, for U.S. federal income tax purposes, (a) it shall treat the Merger as a tax-free reorganization within the meaning of Section 368(a) of the Code; (b) that it shall report the Merger as a “reorganization” within the meaning of

Section 368(a) of the Code and it shall not take any tax reporting position inconsistent with such treatment for U.S. federal, state and other relevant tax purposes; (c) MJIC, Pubco and Subco are “parties to a reorganization” within the meaning of Section 368(b) of the Code; (d) it shall retain such records and file such information as is required to be retained and filed pursuant to Treasury Regulation Section 1.368(a)-3 in connection with the Merger; and (e) it shall otherwise use its best efforts to cause the Merger to qualify as a “reorganization” within the meaning of Section 368(a) of the Code. In connection with the Acquisition and at all times from and after the Closing, the Parties agree to treat Pubco as a United States domestic corporation for U.S. federal income tax purposes pursuant to Section 7874(b) of the Code. No Party shall take any action, fail to take any action, cause any action to be taken or cause any action to be taken or cause any action to fail to be taken that could reasonably be expected to prevent (1) the Acquisition from qualifying as a “reorganization” within the meaning of Section 368(a) of the Code, or (2) Pubco from being treated as a United States domestic corporation for U.S. federal income tax purposes pursuant to Section 7874(b) of the Code. Each Party hereto agrees to act in good faith, consistent with the intent of the Parties and the intended U.S. federal income tax treatment of the Acquisition as set forth in this Section 2.17.

ARTICLE 3- REPRESENTATIONS AND WARRANTIES OF PUBCO

Section 3.1 Representations and Warranties of Pubco

As of the Agreement Date, Pubco represents and warrants on its behalf, and on behalf of Subco, to and in favour of MJIC as follows, and acknowledges that MJIC is relying upon such representations and warranties in connection with the completion of the transactions contemplated herein. For purposes of this Article 3, “Pubco’s knowledge”, “the knowledge of Pubco” and any similar phrase shall mean the actual or constructive knowledge of any officer or director of Pubco after due inquiry:

- (a) Organization, Standing, Corporate Power, Authority and Non-Contravention.
 - (i) Each of Pubco and Subco is a corporation incorporated and validly existing under the laws of the jurisdiction of its incorporation. In each case, each such entity has all requisite corporate power and authority and is duly qualified and holds all material permits, licences, registrations, qualifications, consents and authorizations necessary or required to carry on its business as now conducted and to own, lease or operate the Pubco Assets, and neither Pubco nor, to the knowledge of Pubco, any other Person, has taken any steps or proceedings, voluntary or otherwise, requiring or authorizing the dissolution or winding up of Pubco or Subco, and Pubco and Subco have all requisite corporate power and authority to enter into this Agreement and to carry out their obligations hereunder;
 - (ii) the authorized capital of Pubco consists of an unlimited number of Pubco Common Shares, of which, as the date hereof (A) 2,469,998 Pubco Common Shares, and (B), USD\$1,000,000 principal amount Pubco Convertible Notes are issued and outstanding; and, as of the Effective Time, after giving effect to the Consolidation, Pubco shall have (C) 16,851,748 Pubco Common Shares issued and outstanding, (D) 15,000,000 Pubco

Warrants issued and outstanding; and there shall be no other issued and outstanding securities of Pubco;

- (iii) the authorized capital of Subco consists of 100 Subco Shares, of which one (1) Subco Share is issued and outstanding as a fully paid and non-assessable share in the capital of Subco, and, as of Closing, no warrants, stock options or other convertible securities of Subco are issued and outstanding;
- (iv) Pubco is a “reporting issuer”, as that term is defined under Applicable Securities Laws in British Columbia, Alberta and Ontario, and is not in default of the requirements of the Applicable Securities Laws in such jurisdictions;
- (v) Pubco is in compliance in all material respects with all of the policies and rules of the TSXV and the CSE, as and when applicable;
- (vi) Pubco has filed all forms, reports, documents and information required to be filed by it, whether pursuant to Applicable Securities Laws or otherwise, with the applicable securities commissions (the “**Disclosure Documents**”) and Pubco does not have any confidential filings with any applicable securities commissions; and, as of the time the Disclosure Documents were filed with the applicable securities commissions and on SEDAR (or, if amended or superseded by a filing prior to the date of this Agreement, then on the date of such filing): (A) each of the Disclosure Documents complies in all material respects with the requirements of the Applicable Securities Laws in the jurisdictions where they were filed; and (B) none of the Disclosure Documents contains any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading;
- (vii) other than Subco, Pubco has no direct or indirect subsidiaries nor any investment in any Person or any agreement, option or commitment to acquire any such investment; and all of the issued and outstanding securities of Subco (being one (1) Subco Share) are held by Pubco;
- (viii) Pubco has been conducting its business in compliance in all material respects with all Applicable Laws and regulations of each jurisdiction in which it carries on business and has not received a notice of non-compliance, and, to the knowledge of Pubco, there are no facts that would give rise to a notice of noncompliance with any such laws and regulations;
- (ix) no consent, approval, order or authorization of, or registration, declaration or filing with, any third party or Government Agency is required by or with respect to Pubco in connection with the execution and delivery of this Agreement by Pubco, the performance of its obligations hereunder or the consummation by Pubco of the transactions contemplated hereby other than: (A) the approval of the Merger as a Fundamental Change of Pubco; (B) the approval of the Pubco Meeting Matters by the shareholders of

Pubco; (C) the delisting from the TSXV; (D) the approval of the CSE Listing by the CSE; (E) any other consent, approval, order, authorization, registration, declaration, or filing as contemplated by this Agreement; and (F) any other consents, notice, approvals, orders, authorizations, registrations, declarations or filings which, if not obtained or made, would not, individually or in the aggregate, have a Material Adverse Effect on Pubco or prevent or materially impair Pubco's ability to perform its obligations hereunder;

- (x) each of the execution and delivery of this Agreement, the performance by each of Pubco and Subco of its obligations hereunder and the consummation of the transactions contemplated in this Agreement, including the Merger and the issuance of the Resulting Shares and Resulting Issuer Replacement Securities upon the Merger, do not and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, whether after notice or lapse of time or both of: (i) any statute, rule or regulation applicable to Pubco or Subco, including Applicable Securities Laws; (ii) the Constating Documents resolutions of Pubco or Subco; (iii) any mortgage, note, indenture, contract, agreement, joint venture, partnership, instrument, lease or other document to which Pubco or Subco is a party or by which it is bound; or (iv) any judgment, decree or order binding Pubco or Subco or their respective assets;
- (xi) this Agreement has been duly authorized and executed by each of Pubco and Subco and constitutes a valid and binding obligation of each of them and shall be enforceable against each of them in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by Applicable Laws;
- (xii) other than this Agreement, neither Pubco nor Subco are currently party to any agreement in respect of: (A) the purchase of any property or assets or any interest therein or the sale, transfer or other disposition of any property or assets or any interest therein currently owned, directly or indirectly, by Pubco or Subco whether by asset sale, transfer of shares or otherwise; or (B) the change of control of Pubco or Subco (whether by sale or transfer of shares or sale of all or substantially all of Pubco's or Subco's respective assets or otherwise);
- (xiii) neither Pubco nor Subco are in violation of their respective Constating Documents or in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any contract to which they are a party or by which their property may be bound;

- (xiv) the corporate minute books of Pubco and Subco contain minutes of all material meetings and resolutions of the directors and shareholders held, and full access thereto has been provided to MJIC and its counsel;
 - (xv) other than the outstanding PubCo Notes, no Person has any agreement or option or right or privilege (whether at law, pre-emptive or contractual) capable of becoming an agreement or option for the purchase, subscription or issuance of, or conversion into, any unissued shares, securities, warrants or convertible obligations of any nature of Pubco or Subco; and
 - (xvi) Pubco is not a party to any agreement, nor is Pubco aware of any agreement, which in any manner affects or will affect the voting or control of the securities of Pubco.
- (b) Financial Statements and Taxes.
- (i) Pubco's Financial Statements have, in each case, been prepared in accordance with IFRS consistently applied throughout the periods referred to therein and present fairly, in all material respects, the financial position (including the assets and liabilities, whether absolute, contingent or otherwise as required by IFRS) of Pubco as at such dates and the results of its operations and its cash flows for the periods then ended and contain and reflect adequate provisions or allowance for all reasonably anticipated liabilities, expenses and losses of Pubco in accordance with IFRS and there has been no change in accounting policies or practices of Pubco since December 31, 2017;
 - (ii) Pubco is a taxable Canadian corporation for Canadian tax purposes and all Taxes due and payable, or required to be collected or withheld and remitted, by Pubco and Subco have been paid, collected or withheld and remitted as applicable. All Tax Returns, declarations, remittances and filings required to be filed by Pubco and Subco have been filed with all appropriate Government Agencies and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading (except for such Tax Returns and reports with respect to which the failure to file in a timely manner would not be Materially Adverse). Pubco has not received notice of any examination of any Tax Return of Pubco or Subco, and to the knowledge of Pubco, no such examination is currently in progress by any Government Agency and there are no issues or disputes outstanding with any Government Agency respecting any Taxes that have been paid, or may be payable, by Pubco or Subco. There are no agreements, waivers or other arrangements with any taxation authority providing for an extension of time for any assessment or reassessment of Taxes with respect to Pubco and Subco. There are no circumstances existing as of the date hereof that could result in the application of one or more of Section s 17, 78 or 80 to 80.04 of the Income Tax Act (Canada) or any analogous provision of any Law of any province or territory of Canada to Pubco or Subco. Neither Pubco nor Subco

- (i) is a party to, bound by, or obligated under any Tax allocation, indemnity, or sharing contract or arrangement, and (ii) is liable for the Taxes of any other Person as a transferee or successor, by contract or otherwise, including under Section 191.3 of the Income Tax Act (Canada);
- (iii) the value of consideration paid or received by each of Pubco and Subco in respect of the acquisition, sale or transfer of any property or the provision of any services to or from any person with whom it does not deal at “arm’s length” (as defined for purposes of the Income Tax Act (Canada)) has been equal to the fair market value of such property acquired, sold or transferred or services provided. Pubco has made or obtained records or documents that meet the requirements of paragraphs 247(4)(a) to (c) of the Tax Act for all transactions where sub-Section 247(3) of the Income Tax Act (Canada) could apply;
- (iv) Pubco has established on its books and records reserves or otherwise made provisions that are adequate for the payment of all Taxes not yet due and payable and there are no liens for Taxes on the Pubco Assets and its subsidiary, and, to the knowledge of Pubco, there are no audits pending of the Tax Returns of Pubco or its subsidiary (whether federal, state, provincial, local or foreign) and there are no claims which have been asserted relating to any such Tax Returns;
- (v) the auditors of Pubco’s Financial Statements (as applicable) are independent public accountants; and
- (vi) no holder of outstanding Pubco Common Shares is entitled to any pre-emptive or any similar rights to subscribe for any Pubco Common Shares or other securities of Pubco, and except as contemplated by this Agreement, no rights to acquire, or instruments convertible into or exchangeable for, any securities in the capital of Pubco or Subco are outstanding.
- (c) Undisclosed Liabilities.
- (i) Other than as disclosed in Pubco’s Financial Statements, the Pubco Convertible Notes and the Pubco Disclosure Documents, Pubco does not have any liabilities or obligations of any nature, whether known or unknown, absolute, accrued, contingent or otherwise and whether due or to become due, that individually, or in the aggregate, are Materially Adverse; and
- (ii) no third party has any ownership right, title, interest in, claim in, lien against or any other right to the Pubco Assets or Subco’s assets purported to be owned by Pubco.
- (d) Litigation.
- (i) To the knowledge of Pubco, no legal or governmental actions, suits, judgments, investigations or proceedings are pending to which Pubco or

Subco, or to the knowledge of Pubco, the directors, officers or employees of Pubco or Subco are a party or to which the Pubco Assets are subject and, to the knowledge of Pubco, no such proceedings have been threatened against or are pending with respect to Pubco or Subco, or with respect to the Pubco Assets and neither Pubco nor Subco is subject to any judgment, order, writ, injunction, decree or award of any Government Agency.

(e) Material Contracts.

- (i) Neither Pubco nor Subco are party to any material Contract, written or oral, or any other contract, written or oral, involving an amount in excess of \$5,000 other than this Agreement;
- (ii) neither Pubco nor, to the knowledge of Pubco, any other party thereto is in material default or breach of any Pubco Contract and, to the knowledge of Pubco, there exists no condition, event or act which, with the giving of notice or lapse of time or both, would constitute a material default or breach under any Pubco Contract giving rise to a right of termination on the part of any other party to a Pubco Contract;
- (iii) Pubco is not a party to any agreement, nor, to the knowledge of Pubco, is there any shareholders agreement or other contract which in any manner affects the voting control of any of the securities of Pubco or Subco;
- (iv) there is no agreement, plan or practice of Pubco relating to the payment of any management, consulting, service or other fee or any bonus, pensions, share of profits or retirement allowance, insurance, health or other employee benefit;
- (v) Pubco has no, and since incorporation has not had any, employees. There are no employment contracts, agreements or engagements, either oral or written, with any director or officer of Pubco; and
- (vi) none of the directors or officers of Pubco or any associate or Affiliate of any of the foregoing has any interest, direct or indirect, in any transaction or any proposed transaction with Pubco that materially affects, is material to or will materially affect Pubco. Pubco is not indebted to: (A) any director, officer or shareholder of Pubco (other than in respect of the reimbursement of expenses incurred on behalf of Pubco in the ordinary course of business); (B) any individual related to any of the foregoing by blood, marriage or adoption; or (D) any corporation controlled, directly or indirectly, by any one or more of those Persons referred to in this (vi). None of those individuals referred to in this (vi) is indebted to Pubco. Except as disclosed by Pubco to MJIC in writing, Pubco is not currently a party to any contract, agreement or understanding with any officer, director, employee, shareholder or any other Person not dealing at arm's length with Pubco.

(f) No Other Commissions.

- (i) There are no commissions payable by Pubco or Subco.

ARTICLE 4 - REPRESENTATIONS AND WARRANTIES OF MJIC

Section 4.1 Representations and Warranties of MJIC

As of the Agreement Date, MJIC represents and warrants to and in favour of Pubco as follows, and acknowledges that Pubco is relying upon such representations and warranties in connection with the completion of the transactions contemplated herein. For purposes of this Article 4, “MJIC’s knowledge”, “the knowledge of MJIC” and any similar phrase shall mean the actual or constructive knowledge of any officer or director of MJIC after due inquiry:

- (a) Organization, Standing, Corporate Power, Authority and Non-Contravention.
 - (i) MJIC is a corporation incorporated and validly existing under the laws of the State of California and has all requisite corporate power and corporate authority and is duly qualified and holds all material permits, licences, registrations, qualifications, consents and authorizations necessary or required to carry on its business as now conducted and to own, lease or operate its Assets and neither MJIC nor, to the knowledge of MJIC, any other Person, has taken any steps or proceedings, voluntary or otherwise, requiring or authorizing the dissolution or winding up of MJIC, and MJIC has all requisite corporate power and corporate authority to enter into this Agreement and to carry out its obligations hereunder;
 - (ii) MJIC is authorized to issue 100,000,000 MJIC Class A Common Shares, 10,000,000 Class B Common Shares, 10,000,000 MJIC Series A Convertible Preferred Shares, and as of the date hereof, and including 4,195,264 MJIC Class A Common Shares issued pursuant to the MJIC Financing, the following MJIC Securities are currently outstanding:
 - (A) 250,000 MJIC Series A Convertible Preferred Shares;
 - (B) 17,195,791 MJIC Class A Common Shares;
 - (C) 3,167,394 MJIC Class B Common Shares;
 - (D) 2,333,043 MJIC Class A Common Shares convertible from the MJIC Notes;
 - (E) 2,352,372 MJIC Warrants;
 - (F) 2,569,338 MJIC Options; and
 - (G) 4,666,086 MJIC Warrants convertible from the MJIC Notes.
 - (iii) no Person has any written or oral agreement, option or warrant, or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming such for the purchase or acquisition of any securities of MJIC, other than the MJIC Warrants, the MJIC Options, and the MJIC Notes;

- (iv) the MJIC Meeting will be conducted in compliance with MJIC's Constating Documents and Applicable California Law;
- (v) MJIC has no subsidiaries other than as disclosed in Schedule "E";
- (vi) MJIC has no subsidiaries, nor any interest in any body corporate, partnership, joint ventures or other entity or Person and MJIC is not a party to any agreement, option or commitment to acquire any shares or securities of any body corporate, partnership, trust, joint venture or other entity or Person (other than as listed and contemplated by this Agreement);
- (vii) MJIC has been conducting its business in compliance in all material respects with all Applicable California Law and regulations of each jurisdiction in which it carries on business and has not received a notice of material non-compliance, and, to the knowledge of MJIC, there are no facts that would give rise to a notice of material noncompliance with any such laws and regulations;
- (viii) no consent, approval, order or authorization of, or registration, declaration or filing with, any third party or governmental entity is required by or with respect to MJIC in connection with the execution and delivery of this Agreement by MJIC, the performance of its obligations hereunder or the consummation by MJIC of the transactions contemplated hereby other than: (A) the approval of the Acquisition by MJIC Shareholders under Applicable California Law and Applicable Delaware Law; and (B) any other consents, notice, approvals, orders, authorizations, registrations, declarations or filings which, if not obtained or made, would not, individually or in the aggregate, have a Material Adverse Effect on MJIC or prevent or materially impair MJIC's ability to perform its obligations hereunder;
- (ix) each of the execution and delivery of this Agreement, the performance by MJIC of its obligations hereunder and the consummation of the transactions contemplated in this Agreement, including the Acquisition, do not and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, whether after notice or lapse of time or both, of: (A) any statute, rule or regulation applicable to MJIC, including Applicable Securities Law in the United States; (B) the Certificate of Incorporation, By-laws or resolutions of MJIC that are in effect at the date hereof; (C) any mortgage, note, indenture, contract, agreement, joint venture, partnership, instrument, lease or other document to which MJIC is a party or by which it is bound; or (D) any judgment, decree or order binding MJIC or the Assets;
- (x) this Agreement has been duly authorized and executed by MJIC and constitutes a valid and binding obligation of MJIC and shall be enforceable against MJIC in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable

remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by Applicable Laws;

- (xi) MJIC is not in violation of its Constating Documents or in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any contract to which it is a party or by which it or its property may be bound;
- (xii) MJIC is not a “reporting issuer” or equivalent in any jurisdiction nor are any securities of MJIC listed or quoted on any stock exchange or electronic quotation system; and
- (xiii) at the Effective Time, there will not be any agreement, right or option:
 - (A) to require MJIC to issue any MJIC Shares or any other security convertible or exchangeable into MJIC Shares, or to convert or exchange any securities into or for MJIC Shares, other than the MJIC Warrants and the MJIC Notes;
 - (B) to require MJIC to purchase, redeem or to otherwise acquire any of its issued and outstanding MJIC Shares;
 - (C) with respect to the purchase and sale, assignment or other transfer of the issued and outstanding MJIC Shares, except as contemplated herein; or
 - (D) to acquire all or any portion of MJIC’s Assets or any interest therein.

(b) Intellectual Property.

- (i) MJIC has the sufficient legal right to use, sell, license, sub-license and prepare derivative works for and dispose of and has the rights to bring actions for the infringement or misappropriation of MJIC’s Intellectual Property that it has registered or applied for registration and MJIC has not licensed, conveyed, assigned or encumbered any of MJIC’s Intellectual Property that it owns. All registrations and filings necessary to preserve the rights of MJIC to MJIC’s Intellectual Property have been made or filed and are in good standing;
- (ii) all pending applications for registration of MJIC’s Intellectual Property are in good standing with the appropriate offices and assignments have been recorded in favour of MJIC to the extent recordation within a timely manner is required to preserve the rights thereto;
- (iii) the execution and delivery of this Agreement or any agreement contemplated hereby will not breach, violate or conflict with any instrument or agreement governing any of MJIC’s Intellectual Property, will not cause the forfeiture or termination of any of MJIC’s Intellectual Property or in any

way exclude the right of MJIC to use, sell, license or dispose of or to bring any action for the infringement of any of MJIC's Intellectual Property (or any portion thereof); and

- (iv) all maintenance fees due in accordance with MJIC's Intellectual Property have been paid in a timely manner.

(c) Financial Statements.

(i) MJIC's Financial Statements:

- (A) present fairly, in all material respects, the financial position of MJIC as at the dates thereof and the results of its operations and the changes in shareholders' equity and cash flows of MJIC for the periods specified;
- (B) do not contain any untrue statement of a material fact or omit to state a material fact required to be stated under applicable accounting principles or that is necessary to make a statement not misleading in light of the circumstances; and
- (C) have been prepared in accordance with IFRS; and

- (ii) MJIC's auditors who audited or reviewed MJIC's Financial Statements are independent public accountants.

(d) Undisclosed Liabilities.

- (i) Other than as disclosed in MJIC's Financial Statements, the MJIC Convertible Notes and the MJIC Disclosure Schedule, MJIC does not have any liabilities or obligations of any nature, whether known or unknown, absolute, accrued, contingent or otherwise and whether due or to become due, that, individually or in the aggregate, are Materially Adverse.

(e) Absence of Certain Changes or Events.

- (i) Other than the transactions contemplated herein and the Settlement, , since August 31, 2018, MJIC has conducted its business only in the ordinary course and:

- (A) there has not been any event, change, effect or development (including any decision to implement such a change made by the Board of Directors in respect of which senior management believes that confirmation of the Board of Directors is probable), which, individually or in the aggregate, is Materially Adverse;
- (B) there has not been any declaration, setting aside or payment of any dividend or other distribution (whether in cash, stock or property) with respect to any MJIC Shares; and

(C) no liability or obligation of any nature (whether absolute, accrued, contingent or otherwise) that is Materially Adverse has been incurred.

(f) Taxes.

(i) As of the date of this Agreement, if required, MJIC has duly and in a timely manner filed all Tax Returns and reports required by Laws to have been filed by it (except for such Tax Returns and reports with respect to which the failure to timely file would not be Materially Adverse), has duly reported all income and other amounts required to be reported and has paid all Taxes to the extent that such Taxes have been assessed by the relevant taxation authority and are due and payable (except where failure to do so would not be Materially Adverse). To the extent required, except where failure to do so would not be Materially Adverse, MJIC has duly and in a timely manner paid, deducted, withheld, collected and remitted all Taxes required to be paid, deducted, withheld, collected and remitted by it and has made full provision, in accordance with IFRS, for (including properly accruing and reflecting on its books and records) all Taxes that are not yet due, that relate to periods (or portions thereof) ending prior to the date of this Agreement. MJIC's Financial Statements contain adequate provision for all Taxes, assessments and levies imposed on MJIC, or its property or rights arising out of operations on or before the date of the balance sheet set forth in MJIC's Financial Statements in accordance with IFRS regardless of whether such amounts are payable before or after the Closing Date. No deficiency in payment of any Taxes for any period has been asserted by any Government Agency and remains unsettled at the date hereof. There are no actions, suits, examinations, proceedings, investigations, audits or claims now pending or threatened or, to the knowledge of MJIC, contemplated against MJIC in respect of any Taxes and there are no matters under discussion with any Government Agency relating to any Taxes. MJIC has no permanent establishment (within the meaning of any applicable tax treaty) or any office or fixed place of business in a country other than the country in which it is organized. MJIC has not been a United States real property holding corporation within the meaning of Code Section 897(c)(2) during the applicable period specified in Code Section 897(c)(1)(A)(ii). MJIC will not be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Effective Time as a result of any (A) change in method of accounting for a taxable period ending on or prior to the Effective Time, (B) use any improper method of accounting for a taxable period ending on or prior to the Effective Time, (C) any "closing agreement" as described in Code Section 7121 (or any corresponding or similar provision of state, local or non-U.S. income Tax law) executed on or prior to the Effective Time, (D) installment sale or open transaction doctrine made on or prior to the Effective Time, (E) prepaid amount received on or prior to the Closing Date, and (F) election under Code Section 108(i). MJIC has not

been a party to a “reportable transaction,” as defined in Code Section 6707A(c)(1) and Treasury Regulations Section 1.6011-4(b).

(g) Pre-Emptive Rights.

- (i) Other than the holders of MJIC Notes and MJIC Series A Convertible Preferred Shares, no holder of outstanding securities of MJIC will be entitled to any pre-emptive or any similar rights to subscribe for securities of MJIC at any time prior to or concurrent with the Closing of the Merger, including without limitation, pursuant to the Bylaws.

(h) Employment Matters.

- (i) MJIC has not had, and does not currently have any collective bargaining agreements with respect to its Employees and, to the knowledge of MJIC, no accreditation request or other representation question is pending with respect to its Employees. There is no labour strike, dispute or stoppage pending or, to the knowledge of MJIC after due inquiry, threatened against MJIC, and MJIC has not experienced any labour strike, dispute, slowdown or stoppage or other labour difficulty involving its Employees;
- (ii) MJIC is not subject to any litigation (actual or, to the knowledge of MJIC, threatened) relating to employment or termination of employment of its Employees, other than those claims or litigation that are not, individually or in the aggregate, Materially Adverse;
- (iii) MJIC has operated in accordance with all Applicable Laws with respect to employment and labour, including employment and labour standards, occupational health and safety, employment equity, pay equity, workers' compensation, human rights and labour relations, except where failure to do so would not reasonably be expected to have an effect that would be Materially Adverse, and there are no current, pending or, to the knowledge of MJIC, threatened proceedings before any Government Agency with respect thereto;
- (iv) no current or former Employee or director or MJIC is entitled to a severance, termination or other similar payment as a result of the Merger; and
- (v) no Person is entitled: (i) to a payment under a Contract with MJIC as a result of the Merger; or (ii) to terminate a Contract with MJIC, as a result of the Merger.

(i) Bankruptcy and Insolvency.

- (i) No bankruptcy, insolvency or receivership proceedings have been instituted by MJIC or, to the knowledge of MJIC, are pending against MJIC.

(j) Books and Records.

- (i) The corporate minute books of MJIC contain the minutes of all material meetings and the resolutions of the directors and shareholders of MJIC, and full access thereto has been provided to Pubco and its counsel.
- (k) Non-Arm's Length Transactions.
 - (i) Other than employment agreements, consulting agreements or other agreements pursuant to which Employees may receive compensation between MJIC and its Employees, other than as disclosed in the Financial Statements, there are no Contracts or other transactions currently in place between MJIC and: (A) any officer or director of MJIC; (B) any holder of MJIC Shares or other securities of MJIC; or (C) any associate or affiliate of the foregoing.
- (l) Litigation.
 - (i) there is no suit, action or proceeding pending or, to the knowledge of MJIC, threatened against MJIC and there is no judgment, decree, injunction, rule or order of any Government Agency or arbitrator outstanding against MJIC.
- (m) No Other Commissions.
 - (i) Other than the Finder's Fee Agreement, there are no commissions payable by MJIC, and there are no persons acting or purporting to act at the request or on behalf of MJIC that are entitled to any brokerage or finder's fee in connection with the transactions contemplated in connection with this Agreement.
- (n) Contracts.
 - (i) Other than as disclosed in the Disclosure Documents, MJIC does not have any material Contracts as of the date hereof;
 - (ii) to the knowledge of MJIC, any and all material Contracts of MJIC are valid and subsisting agreements in full force and effect, enforceable in accordance with their respective terms, MJIC is not in default of any of the provisions of any such Contracts, except for any defaults that are not, individually or in the aggregate, reasonably to be expected to have an effect that would be Materially Adverse, nor has any such default been alleged, and MJIC is not aware of any material disputes with respect thereto; and
 - (iii) MJIC is not a party to or bound or affected by any commitment, agreement or document that would prohibit or restrict MJIC from entering into this Agreement or completing the Transactions, as applicable.
- (o) Liens.
 - (i) There are no Liens (registered or, to the knowledge of MJIC, unregistered) against any of the Assets.

- (p) Premises.
- (i) With respect to each premise that is material to MJIC and which MJIC occupies, whether as owner or as tenant (the “**Leased Premises**”), MJIC occupies the Leased Premises and has the exclusive right to occupy and use the Leased Premises and each of the leases pursuant to which MJIC occupies the Leased Premises is in good standing and in full force and effect under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made or proposed to be made of such property and buildings by MJIC.

ARTICLE 5 - SURVIVAL OF REPRESENTATIONS AND WARRANTIES

Section 5.1 Survival of Representations and Warranties

The representations and warranties made by the Parties and contained in this Agreement and any Ancillary Agreement shall survive the Closing until the date that is 12 months from the Closing Date. No claim for breach of any representation, warranty or covenant shall be valid unless that Party against whom such claim is made has been given notice thereof before the expiry of such 12 month period.

ARTICLE 6 - COVENANTS OF MJIC

MJIC hereby covenants and agrees with Pubco as follows until the earlier of the Closing or the termination of this Agreement in accordance with its terms:

Section 6.1 Necessary Consents

MJIC shall use its commercially reasonable efforts to obtain from MJIC’s directors, shareholders and all federal, state or other governmental or administrative bodies such approvals or consents as are required to complete the Transactions, as applicable.

Section 6.2 Ordinary Course

MJIC will operate its business in a prudent and business-like manner in the ordinary course and in a manner consistent with past practice.

Section 6.3 Non-Solicitation

Notwithstanding any other provision of this Agreement, if at any time MJIC receives a *bona fide* offer, whether written or oral (a “**MJIC Alternative Transaction Offer**”) from a third party to acquire all or substantially all of the assets or shares of MJIC or to enter into an arrangement or agreement which would materially interfere with the transactions contemplated herein which MJIC wishes to pursue at the instruction of its Board of Directors or a committee thereof, including without in any way limiting the generality of the foregoing, any such arrangement or agreement resulting from an unsolicited offer or proposal from a third party, then MJIC may: (a) furnish information with respect to MJIC to the person making such MJIC Alternative Transaction Offer and its representatives and allow such person and its representatives access to MJIC’s facilities and properties and engage in discussions and negotiations with the

person making such MJIC Alternative Transaction Offer and its representatives; and (b) enter into an agreement with respect to a MJIC Alternative Transaction Offer, provided that MJIC has delivered written notice to Pubco of the intention of MJIC to enter into an agreement with respect to such MJIC Alternative Transaction Offer and MJIC terminates this Agreement pursuant to Section 10.1.

Section 6.4 Restrictive Covenants

MJIC hereby covenants and agrees that, until the Termination Date, it will not, without Pubco's prior written consent (such consent not to be unreasonably withheld, conditioned or delayed) do any of the following if not already contemplated by this Agreement:

- (a) issue any debt, equity or other securities, except in connection with (i) the MJIC Financin, (ii) the issuance of debt in the ordinary course of business, or (iii) the issuance of securities in connection with a bona fide purchase of assets or shares from, or a strategic partnership with, an arm's length third party;
- (b) borrow money or incur any indebtedness for money borrowed, except in the ordinary course of business;
- (c) make loans, advances or other payments to directors, officers, employees or consultants of MJIC, other than (i) payments made in the ordinary course of business (including payment of salaries or consultant fees at current rates), or (ii) routine advances or payments to directors, officers, employees or consultants of MJIC for expenses incurred on behalf of MJIC in the ordinary course of business;
- (d) declare or pay any dividends or distribute any of MJIC's properties or Assets to stockholders, except in the ordinary course of business;
- (e) alter or amend MJIC's certificate of incorporation or By-laws, except as required to give effect to the matters contemplated herein;
- (f) except as otherwise permitted or contemplated herein, enter into any transaction or material contract which is not in the ordinary course of business or engage in any business enterprise or activity materially different from that carried on or contemplated by MJIC and/or its Affiliates as of the date hereof; or
- (g) make capital expenditures, other than in the ordinary course of business of MJIC.

Section 6.5 Voting Support Agreements.

MJIC Shareholders holding at least 50%+1 of the voting securities of MJIC shall enter into Voting Support Agreements substantively in the form attached hereto as Schedule "F", within five (5) days of entering into this Agreement. Notwithstanding the foregoing, MJIC will ensure that all directors and officers of MJIC that are MJIC Shareholders enter into the Voting Support Agreements, and will deliver their Voting Support Agreements to Pubco upon entering into this Agreement.

Section 6.6 All Other Action

MJIC shall cooperate fully with Pubco and will use all reasonable commercial efforts to assist Pubco in its efforts to complete the Transactions, unless such cooperation and efforts would subject MJIC to material cost or liability.

ARTICLE 7 - COVENANTS OF PUBCO

Pubco and Subco hereby covenants and agrees with MJIC as follows until the earlier of the Effective Time or the Termination Date:

Section 7.1 Necessary Consents

Pubco shall use its reasonable efforts to obtain from Pubco's directors, shareholders, and all Government Agencies such approvals or consents as are required to complete the transactions contemplated herein (including the approval of its shareholders of the Pubco Meeting Matters and the approval of the CSE of the listing of the Resulting Issuer Common Shares and the shares underlying the Resulting Issuer Replacement Securities to be issued pursuant to the Merger).

Section 7.2 Ordinary Course

Pubco will operate its business in a prudent and business-like manner in the ordinary course and in a manner consistent with past practice.

Section 7.3 Non-Solicitation

Pubco hereby covenants and agrees until the Termination Date not to, directly or indirectly, solicit, initiate, knowingly encourage, cooperate with or facilitate (including by way of furnishing any non-public information or entering into any form of agreement, arrangement or understanding) the submission, initiation or continuation of any oral or written inquiries or proposals or expressions of interest regarding, constituting or that may reasonably be expected to lead to any activity, arrangement or transaction or propose any activities or solicitations in opposition to or in competition with the Transactions, and without limiting the generality of the foregoing, not to induce or attempt to induce any other person to initiate any shareholder proposal or "takeover bid," exempt or otherwise, within the meaning of the Securities Act, for securities of Pubco, nor to undertake any transaction or negotiate any transaction which would be or potentially could be in conflict with the Transactions, including, without limitation, allowing access to any third party (other than its representatives) to conduct due diligence, nor to permit any of its officers or directors to do so, except as required by statutory obligations. In the event that Pubco or any of its Affiliates, including any of their officers or directors, receives any form of offer or inquiry in respect of any of the foregoing, Pubco shall forthwith (in any event within one Business Day following receipt) notify MJIC of such offer or inquiry and provide MJIC with such details as it may request.

Section 7.4 Restrictive Covenants

Pubco hereby covenants and agrees until the Termination Date that it will not, without MJIC's prior written consent:

- (a) issue any debt, equity or other securities, except in connection with the Transactions;
- (b) incur, provide a guarantee for or otherwise accept liability for any contractual obligation, liability or expense out of the ordinary course of its business, which for purposes hereof, will include any contractual obligation, liability or expense, other than a contractual obligation, liability or expense of Pubco related to the Transactions, which contractual obligation, liability or expense shall be approved in writing by MJIC;
- (c) borrow money or incur any indebtedness for money borrowed, except as agreed to by MJIC in writing;
- (d) make loans, advances or other payments to directors, officers, employees or consultants of Pubco, other than (i) payments made in the ordinary course of business (including payment of consultant fees at current rates) or (ii) routine advances or payments to directors, officers, employees or consultants of Pubco for expenses incurred on behalf of Pubco in the ordinary course of business;
- (e) increase any compensation for any director, officer, employee or consultant of Pubco;
- (f) make any capital expenditures not specifically related to the Transactions;
- (g) declare or pay any dividends or distribute any Pubco Assets to shareholders;
- (h) alter or amend Pubco's charter documents in any manner, except as required to give effect to the matters contemplated herein; or
- (i) except as otherwise permitted or contemplated herein, enter into any transaction or material contract or engage in any business enterprise or activity different from that carried on by Pubco as of the date hereof.

Section 7.5 Subco

Subco shall be validly incorporated and in good standing under Applicable Delaware Law immediately prior to the Acquisition. Pubco covenants and agrees that Subco shall not carry on any business and shall not enter into any contracts, agreements, commitments, indentures or other instruments prior to the Closing Date other than this Agreement and as required to effect the Merger.

Section 7.6 All Other Action

Pubco shall cooperate fully with MJIC and will use all reasonable commercial efforts to assist MJIC in its efforts to complete the Merger unless such cooperation and efforts would subject Pubco to material cost or liability.

ARTICLE 8 - CONDITIONS PRECEDENT

Section 8.1 Conditions for the Benefit of Pubco

The transactions contemplated herein are subject to the following conditions to be fulfilled or performed on or prior to the Closing Date, which conditions are for the exclusive benefit of Pubco and may be waived, in whole or in part, by Pubco in its sole discretion:

(a) Truth of Representations and Warranties.

The representations and warranties of MJIC contained in this Agreement and any Ancillary Agreement shall have been true and correct as of the Agreement Date and shall be true and correct as of the Closing Date in all material respects with the same force and effect as if such representations and warranties had been made on and as of such Closing Date except as affected by transactions contemplated or permitted by this Agreement and an officer or director of MJIC shall provide a certificate addressed to Pubco at Closing confirming the foregoing.

(b) Performance of Obligations.

MJIC shall have performed, fulfilled or complied with, in all material respects, all of its obligations, covenants and agreements contained in this Agreement and any Ancillary Agreement to be fulfilled or complied with by them at or prior to the Closing Date and an officer or director of MJIC shall provide a certificate addressed to Pubco at Closing confirming the foregoing.

(c) Approvals and Consents.

All required approvals, consents and authorizations of third parties in respect of the transactions contemplated herein, including without limitation all necessary shareholder and regulatory approvals, shall have been obtained on terms acceptable to MJIC acting reasonably, including approval of the TSXV and the CSE, the approval of the Pubco Meeting Matters by the Pubco Shareholders and MJIC Shareholders' approval of the MJIC Meeting Matters.

(d) Principals of MJIC.

All of the "related persons" of MJIC and the Resulting Issuer shall be acceptable to all applicable regulators, including the CSE.

(e) No Material Adverse Change.

There shall have been no Material Adverse Change affecting MJIC since August 31, 2018, other than a reduction of its cash position and/or accrual of expenses, in each case in order to pay or accrue for professional fees or other expenses in connection with the Transactions.

(f) Deliveries.

MJIC shall deliver or cause to be delivered to Pubco the closing documents as set forth in Section 9.1 in a form satisfactory to Pubco, acting reasonably.

(g) No Legal Action or Prohibition of Law.

There shall be no action or proceeding pending or threatened by any Person in any jurisdiction, or any Applicable Laws proposed, enacted, promulgated or applied, to enjoin, restrict or prohibit any of the Transactions contemplated by this Agreement or which could reasonably be expected to result in a Material Adverse Effect on MJIC.

Section 8.2 Conditions for the Benefit of MJIC

The transactions contemplated herein are subject to the following conditions to be fulfilled or performed on or prior to the Closing Date, which conditions are for the exclusive benefit of MJIC and may be waived, in whole or in part, by MJIC in its sole discretion:

(a) Truth of Representations and Warranties.

The representations and warranties of Pubco contained in this Agreement shall have been true and correct as of the Agreement Date and shall be true and correct as of the Closing Date in all material respects with the same force and effect as if such representations and warranties had been made on and as of such Closing Date except as affected by transactions contemplated or permitted by this Agreement and an officer or director of Pubco shall provide a certificate to MJIC at Closing confirming the foregoing.

(b) Performance of Obligations.

Pubco shall have performed, fulfilled or complied with, in all material respects, all of its obligations, covenants and agreements contained in this Agreement and in any Ancillary Agreement to be fulfilled or complied with by Pubco at or prior to the Closing Date and an officer or director of Pubco shall provide a certificate to MJIC at Closing confirming the foregoing.

(c) No Material Adverse Change.

There shall have been no Material Adverse Change in the business, results of operations, assets, liabilities, financial condition or affairs of Pubco since December 31, 2018, other than a reduction of its cash position in order to pay professional fees or other expenses in connection with the Merger.

(d) Approvals and Consents.

All required approvals, consents and authorizations of third parties in respect of the transactions contemplated herein, including without limitation all necessary shareholder and regulatory approvals, shall have been obtained on terms acceptable to MJIC, acting reasonably, including approval of the Pubco Meeting Matters by the shareholders of Pubco Shareholders and MJIC Shareholder approval of the

MJIC Meeting Matters. Pubco shall have effected the Name Change, Consolidation, Share Amendment and related matters on terms satisfactory to MJIC.

(e) Pubco Meeting Materials

The Pubco Meeting Materials will comply with Pubco's Constating Documents and Applicable Laws.

(f) Financial Liabilities.

Except as disclosed herein, Pubco shall not have any outstanding financial liabilities.

(g) U.S. Registration Exemption.

The issuance of the Consideration Securities issuable pursuant to the Merger shall be exempt or excluded from registration requirements under the U.S. Securities Act, and the registration and qualification requirements of all Applicable Securities Laws. It is anticipated that Pubco will rely on Rule 506(b) of Regulation D and Rule 903 of Regulation S, as applicable, in connection with the offer and sale of the Consideration Securities. MJIC hereby acknowledges and agrees that the Consideration Securities issued to or for the account or benefit of any U.S. Persons or persons in the United States in reliance on Rule 506(b) of Regulation D will be issued as "restricted securities" as defined in Rule 144(a)(3) under the U.S. Securities Act, and will be represented by definitive certificates endorsed with a U.S. restrictive legend in customary form.

(h) Exemption from Prospectus Requirements.

The distribution of the Resulting Issuer Shares in Canada pursuant to the Merger (including those Resulting Issuer Shares issued pursuant to the rights attached to the Resulting Issuer Replacement Warrants) shall be exempt from, or otherwise not subject to, prospectus requirements of Applicable Securities Laws and shall be freely tradeable (subject to the usual restrictions under National Instrument 45-106 – Resale of Securities, of the Canadian Securities Administrators or pursuant to Applicable Securities Laws in the United States). The exemption relied upon by Canadian Resulting Issuer Shareholders will be Section 2.11 of National Instrument 45-106 – Prospectus Exemptions.

(i) Issuance of Shares.

The Resulting Issuer Shares shall be free and clear of any and all Liens and restrictions on transfer whatsoever except: the escrow restrictions imposed by the CSE and the Lock-up Agreements; and hold periods prescribed under Applicable Securities Laws. MJIC acknowledges and agrees that any Resulting Issuer Shares issued as "restricted securities" as defined in Rule 144(a)(3) under the U.S. Securities Act shall be subject to restrictions on resale under the U.S. Securities Act

whereby they must not be offered, sold or otherwise transferred by the holders thereof, directly or indirectly, unless:

- (i) the sale is to the Resulting Issuer;
- (ii) the sale is made outside the United States in a transaction meeting the requirements of Rule 904 of Regulation S and in compliance with applicable local laws and regulations;
- (iii) the sale is made pursuant to the exemption from the registration requirements under the U.S. Securities Act provided by Rule 144 thereunder, if available, and in accordance with any applicable state securities laws; or
- (iv) the Resulting Issuer Shares are sold in a transaction that does not require registration under the U.S. Securities Act or any applicable state laws and regulations governing the offer and sale of securities;

and, in the case of clauses (iii) or (iv) above, it has prior to such sale furnished to the Resulting Issuer an opinion of counsel or other evidence of exemption in form and substance reasonably satisfactory to the Resulting Issuer.

The Resulting Issuer Shares shall have been conditionally approved for listing on the CSE, such listing to be conditional only on conditions standard for transactions such as the transactions contemplated herein.

(j) Due Diligence

The results of due diligence investigations of Pubco, its assets and financial condition being satisfactory to MJIC in all material respects, to be completed and evidence by written notice to Pubco.

(k) Deliveries.

Pubco shall deliver or cause to be delivered to MJIC Pubco's Closing Documents as set forth in Section 9.2 in a form satisfactory to MJIC, acting reasonably.

(l) No Legal Action or Prohibition of Law.

There shall be no action or proceeding pending or threatened by any Person (other than Pubco) in any jurisdiction, or any Applicable Laws proposed, enacted, promulgated or applied, to enjoin, restrict or prohibit any of the transactions contemplated by this Agreement or which could reasonably be expected to result in a Material Adverse Effect on Pubco.

(m) Proceedings.

All proceedings to be taken in connection with the transactions contemplated in this Agreement and any Ancillary Agreement shall be satisfactory in form and substance to MJIC, acting reasonably, and MJIC shall have received copies of all instruments and other evidence as it may reasonably request in order to establish

the consummation or closing of such transactions and the taking of all necessary proceedings in connection therewith.

(n) Contracts.

All management, consulting, lease and rental contracts to which Pubco is a party shall have been terminated, all officers and members of management of Pubco shall have been executed and delivered resignations in form and substance acceptable to the MJIC, acting reasonably, and no termination rights, payments or other fees shall be triggered or payable to any such officers, employees or members of management of Pubco in connection with such resignations as a result of the Merger.

(o) Capitalization.

Immediately prior to the Closing and the Share Amendment, the issued and outstanding capital of Pubco will consist of 16,851,748 common shares in the capital of Pubco, and 15,000,000 Pubco Warrants.

(p) No Default.

Pubco shall not be in default of the requirements of the BCSC, the TSXV, the CSE or any securities commission, and no order shall have been issued preventing the Transactions.

ARTICLE 9 – CLOSING DELIVERIES

Section 9.1 MJIC Closing Documents

On the Closing Date, MJIC shall deliver to Pubco the following documents:

- (a) a certified copy of the resolutions of the directors and shareholders of MJIC approving and authorizing the transactions herein contemplated;
- (b) the MJIC Financial Statements;
- (c) a certified copy of the Constating Documents of MJIC;
- (d) the Restricted Holder Lock-up Agreement executed by the Restricted Holders;
- (e) a certificate of good standing for MJIC in the State of California, dated as of a date not more than three (3) days prior to the Closing Date;
- (f) U.S. Representation Letters; and
- (g) evidence that MJIC has cancelled all of its issued and outstanding securities as of the Closing Date including those that have been exchanged for securities of Pubco under this Agreement as evidenced by cancelled share certificates, or if MJIC's securities are not certificated, by MJIC's updated share register showing Pubco as the sole shareholder of the Surviving Corporation.

Section 9.2 Pubco's Closing Documents

On the Closing Date, Pubco shall deliver to MJIC the following documents:

- (a) Certificates or confirmation of electronic registration (such as Direct Registration Statement (DRS)) representing the Resulting Issuer Shares, Resulting Issuer Replacement Securities issuable to and in the respective names of the holders of MJIC Securities pursuant to the Acquisition (such certificates or electronic registration to be registered and prepared in accordance with a written direction to be provided by MJIC prior to Closing);
- (b) the Pubco Shareholder Lock-up Agreement executed by the Pubco Shareholders;
- (c) the Pubco Warrantholder Lock-up Agreement executed by the Pubco Warrantholders;
- (d) copies of the list of defaulting (or reporting) issuers published by the BCSC, the Alberta Securities Commission and the Ontario Securities Commission showing that Pubco does not appear on a list of defaulting reporting issuers maintained by each securities commission;
- (e) a certified copy of the resolutions of the directors of Pubco and Subco, and of Pubco as the sole shareholder of Subco approving and authorizing the transactions herein contemplated;
- (f) a certified copy of (i) the Constating Documents of Pubco issued by the Registrar of Companies British Columbia, and (ii) the Certificate of Incorporation of Subco issued by the Secretary of State of Delaware;
- (g) Certificates of Good Standing for Pubco and Subco, dated as of a date not more than three (3) days prior to the Closing Date;
- (h) a cancelled certificate evidencing the Subco Share registered in the name of Pubco; and
- (i) a favourable legal opinion from counsel to Pubco with respect to such matters as counsel for MJIC may reasonably request.

ARTICLE 10 - TERMINATION

Section 10.1 Termination

This Agreement shall terminate with the Parties having no obligations to each other, other than in respect of the expense provisions contained in Section 11.8 and the confidentiality provisions contained in Section 11.1, if applicable, on the day (the “**Termination Date**”) on which the earliest of the following events occurs:

- (a) written agreement of the parties to terminate this Agreement;

- (b) any applicable Government Agency having notified in writing either Pubco or MJIC of its determination to not permit the Transaction to proceed, in whole or in part, and the parties have used commercially reasonable efforts to appeal or reverse such determination, or modify the Transaction on a basis that is not prejudicial to either party hereto in order to address such determination;
- (c) the Closing of the Transactions has not occurred on or before 5:00 p.m. (Vancouver time) on July 31, 2019;
- (d) if the due diligence inquiry of either MJIC or Pubco, as the case may be, is unsatisfactory to either MJIC or Pubco, at such Party's sole discretion;
- (e) either Party materially breaches a term of this Agreement and such breach is not cured within thirty (30) calendar days; or
- (f) upon provision of a notice pursuant to and in any of the circumstances provided for in Section 6.3 or Section 7.3.

Section 10.2 Effect of Termination

Each Party's right of termination under this Part 10 is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of a right of termination will not be an election of remedies. Nothing in Part 10 shall limit or affect any other rights or causes of action that any Party may have with respect to the representations, warranties, covenants and indemnities in its favour contained in this Agreement.

Section 10.3 Break Fees

A break fee in cash equal to the greater of US\$3 million and 5% of the value of any Alternate Transaction (the "**Break Fee**") will become payable

- (a) in the event of a material breach of this Agreement, which results in the termination of this Agreement, by the breaching party to the non-breaching party, or
- (b) on the termination of this Agreement in favour of an Alternate Transaction, by the terminating party to the non-terminating party.

Notwithstanding the foregoing, the Break Fee will be payable by the breaching party or terminating party if in either case such party enters into an agreement to complete an Alternative Transaction within 12 months of the termination of this Agreement.

ARTICLE 11- GENERAL

Section 11.1 Confidential Information

No disclosure or announcement, public or otherwise, in respect of this Agreement or the transactions contemplated herein will be made by Pubco or MJIC or its representatives without the prior agreement of the other Party as to timing, content and method, hereto, except for disclosure by a Party made to its own representatives, and its legal, financial and accounting consultants. The

obligations herein will not prevent any party from making, after consultation with the other Party, such disclosure as its counsel advises is required by Applicable Laws or the rules and policies of the CSE.

Except as and only to the extent required by Applicable Laws, a Receiving Party will not disclose or use, and it will cause its representatives not to disclose or use, any Confidential Information furnished, or to be furnished, by a Disclosing Party or its representatives to the Receiving Party or its representatives at any time or in any manner other than for purposes of evaluating and completing the transactions proposed in this Agreement.

If this Agreement is terminated, each Receiving Party will promptly return to the Disclosing Party or destroy any Confidential Information and any work product produced from such Confidential Information in its possession or in the possession of any of its representatives.

Section 11.2 Mutual Indemnities

Each party agrees that if any one of them fails to observe or perform any covenant or obligation, or breaches any representation or warranty, contained in this Agreement, or in any other agreement or document delivered pursuant to this Agreement, they will indemnify and hold harmless the other parties, and their respective directors, officers, and employees.

If a party (the “**Indemnified Party**”) becomes aware of any Proceeding in respect of which another party (the “**Indemnifying Party**”) agreed to indemnify the Indemnified Party pursuant to this Agreement, the Indemnified Party will promptly give written notice thereof to the Indemnifying Party. Such notice will specify whether the Proceeding arises as a result of a claim by a person against the Indemnified Party (a “**Third Party Claim**”) or whether the Proceeding does not so arise (a “**Direct Claim**”), and will also specify with reasonable particularity (to the extent that the information is available) the factual basis for the Proceeding and the amount of the Proceeding, if known.

With respect to any Direct Claim, following receipt of notice from the Indemnified Party of the Proceeding, the Indemnifying Party will have thirty (30) days to make such investigation of the Proceeding as is considered necessary or desirable. For the purpose of such investigation, the Indemnified Party will make available to the Indemnifying Party the information relied upon by the Indemnified Party to substantiate the Proceeding, together with all such other information as the Indemnifying Party may reasonably request. If the Indemnified Party and the Indemnifying Party agree at or prior to the expiration of such thirty (30) day period (or any mutually agreed upon extension thereof) to the validity and amount of such Proceeding, the Indemnifying Party will immediately pay to the Indemnified Party the full agreed upon amount of the Proceeding, failing which the matter will be referred to binding arbitration in such manner as the Parties may agree or will be determined by a court of competent jurisdiction.

With respect to any Third Party Claim, the Indemnifying Party will have the right, at its expense, to participate in or assume control of the negotiation, settlement or defence of the Proceeding and, in such event, the Indemnifying Party will reimburse the Indemnified Party for all the Indemnified Party’s reasonable out of pocket expenses as a result of such participation or assumption. If the Indemnifying Party elects to assume such control, the Indemnified Party will have the right to participate in the negotiation, settlement or defence of such Third Party Claim and to retain counsel to act on its behalf, provided that the fees and disbursements of such counsel will be paid by the

Indemnified Party unless the Indemnifying Party consents to the retention of such counsel or unless the named parties to any action or proceeding include both the Indemnifying Party and the Indemnified Party and the representation of both the Indemnifying Party and the Indemnified Party by the same counsel would be inappropriate due to the actual or potential differing interests between them (such as the availability of different defences). If the Indemnifying Party, having elected to assume such control, thereafter fails to defend the Third Party Claim within a reasonable time, the Indemnified Party will be entitled to assume such control, and the Indemnifying Party will be bound by the results obtained by the Indemnified Party with respect to such Third Party Claim. If any Third Party Claim is of a nature such that the Indemnified Party is required by applicable law or the order of any court, tribunal or regulatory body having jurisdiction to make a payment to any Person (a “**Third Party**”) with respect to the Third Party Claim before the completion of settlement negotiations or related legal proceedings, as the case may be, the Indemnified Party may make such payment and the Indemnifying Party will, forthwith after demand by the Indemnified Party, reimburse the Indemnified Party for such payment. If the amount of any liability of the Indemnified Party under the Third Party Claim in respect of which such payment was made, as finally determined, is less than the amount which was paid by the Indemnifying Party to the Indemnified Party, the Indemnified Party will, forthwith after receipt of the difference from the Third Party, pay the amount of such difference to the Indemnifying Party. If such a payment, by resulting in settlement of the Third Party Claim, precludes a final determination of the merits of the Third Party Claim and the Indemnified Party and the Indemnifying Party are unable to agree whether such payment was reasonable in the circumstances having regard to the amount and merits of the Third Party Claim, such dispute will be referred to binding arbitration in such manner as the parties may agree or will be determined by a court of competent jurisdiction.

If the Indemnifying Party fails to assume control of the defence of any Third Party Claim, the Indemnified Party will have the exclusive right to contest, settle or pay the amount claimed. Whether or not the Indemnifying Party assumes control of the negotiation, settlement or defence of any Third Party Claim, the Indemnifying Party will not settle any Third Party Claim without the written consent of the Indemnified Party, which consent will not be unreasonably withheld or delayed; provided, however, that the liability of the Indemnifying Party will be limited to the proposed settlement amount if any such consent is not obtained for any reason.

The Indemnified Party and the Indemnifying Party will co-operate fully with each other with respect to Third Party Claims, and will keep each other fully advised with respect thereto (including supplying copies of all relevant documentation promptly as it becomes available).

Section 11.3 Publicity

No party shall issue and press release or public announcement pertaining to the Transactions that has not been agreed upon in advance by each of PubCo and MJIC, except as PubCo reasonably determines to be necessary in order to comply with applicable securities laws or the rules of the principal trading exchange or market for the securities of PubCo, provided that in such case PubCo will use its best efforts to allow MJIC to review and reasonably approve any such press release or public announcement prior to its release.

Section 11.4 Counterparts

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

Section 11.5 Severability

In the event that any provision or part of this Agreement is determined by any court or other judicial or administrative body to be illegal, null, void, invalid or unenforceable, that provision shall be severed to the extent that it is so declared and the other provisions of this Agreement shall continue in full force and effect.

Section 11.6 Applicable Laws

This Agreement (and any claim or controversy arising out of or relating to this Agreement) shall be governed by the law of the Province of British Columbia and the federal laws of Canada applicable therein without regard to conflict of law principles that would result in the application of any law other than as stated above. Each Party hereby irrevocably and unconditionally submits to the exclusive jurisdiction of any British Columbia court, or federal court of Canada and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or the agreements delivered in connection herewith or the transactions contemplated hereby or thereby or for recognition or enforcement of any judgment relating thereto.

Section 11.7 Successors and Assigns

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

Section 11.8 Expenses

Each Party shall be responsible for its respective costs and expenses incurred with respect to the transactions contemplated herein, which are comprised of its legal and accounting fees and disbursements relating to preparing this Agreement and related documents specifically relating to the transactions contemplated herein (including the Listing Statement and Pubco Meeting Materials), the BCSC and CSE filing fees required in connection with the initial submission and any amounts payable to any broker involved in the MJIC Financing, it being acknowledged, that documentation in respect of the Transactions shall, to as great an extent as reasonably possible, be prepared by MJIC's counsel with the assistance of Pubco and its contractors as needed. If during the term of this Agreement, the Transactions do not successfully complete (other than as a result of an Alternate Transaction), then each party will be responsible for its own expenses incurred.

Section 11.9 Further Assurances

Each of the Parties hereto will, without further consideration, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered such other documents, instruments of transfer, conveyance, assignment and assurances and secure all necessary consents

and authorizations as may be reasonably requested by another Party and take such further action as the other Party may reasonably require to give effect to any matter provided for herein.

Section 11.10 Entire Agreement

This Agreement and the schedules referred to herein constitute the entire agreement among the Parties hereto and supersede all prior communications, agreements, representations, warranties, statements, promises, information, arrangements and understandings, whether oral or written, express or implied, with respect to the subject matter hereof, including the letter of intent dated November 7, 2018. None of the Parties hereto shall be bound or charged with any oral or written agreements, representations, warranties, statements, promises, information, arrangements or understandings not specifically set forth in this Agreement or in the schedules, documents and instruments to be delivered by and/or on the Closing Date pursuant to this Agreement. The Parties hereto further acknowledge and agree that, in entering into this Agreement and in delivering the schedules, documents and instruments to be delivered by and/or on the Closing Date, they have not in any way relied, and will not in any way rely, upon any oral or written agreements, representations, warranties, statements, promises, information, arrangements or understandings, express or implied, not specifically set forth in this Agreement or in such schedules, documents or instruments attached hereto or referenced therein (including the schedules, documents or instruments to be delivered by and/or on the Closing Date).

Section 11.11 Notices

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

in the case of notice to Pubco or Subco:

P&P Ventures Inc.
Suite 2300, 1066 West Hastings Street
Vancouver, British Columbia, Canada V6E 3X2

Attention: Richard Grayston
E-mail: rwgrayston@telus.net

with a courtesy copy (which copy shall not constitute notice to Pubco or Subco) to:

Woods & Company
Suite 300, 1055 West Hastings Street,
Vancouver, British Columbia V6E 2E9

Attention: Michael Woods
E-mail: mw@pubcolaw.com

in the case of notice to MJIC:

MJIC, Inc.

5800 South Eastern Avenue, Suite 300
Commerce, California, USA 90404

Attention: Lawrence Horwitz
E-mail: lhorwitz@horwitzarmstrong.com

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

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

Attention: James Munro
E-mail: james.munro@mcmillan.ca

Any notice, communication, request, demand or other document given or sent or delivered as aforesaid shall:

- (a) if delivered personally or by courier as aforesaid, be deemed to have been given, sent, delivered and received on the date of delivery;
- (b) if sent by mail as aforesaid, be deemed to have been given, sent, delivered and received on the fourth Business Day following the date of mailing, unless at any time between the date of mailing and the fourth Business Day thereafter there is a discontinuance or interruption of regular postal service, whether due to strike or lockout or work slowdown, affecting postal service at the point of dispatch or delivery or any intermediate point, in which case the same shall be deemed to have been given, sent, delivered and received in the ordinary course of the mail, allowing for such discontinuance or interruption of regular postal service; and
- (c) if sent by facsimile or other means of electronic communication, be deemed to have been given, sent, delivered and received on the Business Day of the sending if sent during normal business hours on a Business Day (otherwise on the following Business Day).

Section 11.12 Waiver

Any Party hereto which is entitled to the benefits of this Agreement may, and has the right to, waive any term or condition hereof at any time on or prior to the Closing Date, provided however that such waiver shall be evidenced by written instrument duly executed on behalf of such Party; however, any e-mail containing such waiver sent from the respective e-mail address of Pubco, Subco or MJIC (as applicable and as noted under Section 11.11) is deemed to be a written instrument duly executed on behalf of such Party for the purposes of this Section 11.12.

Section 11.13 Amendments

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

Section 11.14 Remedies Cumulative

The rights and remedies of the Parties under this Agreement are cumulative and in addition to and not in substitution for any rights or remedies provided by law. Any single or partial exercise by any Party hereto of any right or remedy for default or breach of any term, covenant or condition of this Agreement does not waive, alter, affect or prejudice any other right or remedy to which such Party may be lawfully entitled for the same default or breach.

Section 11.15 Currency.

Unless otherwise indicated, all dollar amounts referred to in this Agreement are in the lawful money of the United States of America.

Section 11.16 Time of Essence.

Time shall be of the essence hereof.

[Signature Page Follows]

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

P&P Ventures Inc.

By: (signed) “Michael Woods”

Name: Michael H. Woods

Title: CFO & Director

MANIFESTSEVEN, INC.

By: (signed) “Michael Woods”

Name: Michael H. Woods

Title: CEO & Director

MJIC, INC.

By: (signed) “Sturges Karban”

Name: Sturges Karban

Title: Chief Executive Officer

Schedule A
List of Applicable U.S. Stockholders

Applicable U.S. Stockholder	Applicable MJIC Class A Common Shares	Resulting Issuer Class C Common Shares to be received on Exchange of Applicable MJIC Class A Common Shares
Lawrence W. Horwitz	1,000,000	300,000
Sturges J. Karban	525,000	157,500
Urban Smedeby	362,500	108,750
The Jordan Gerber Revocable Trust	351,794	105,538
Nerd Life LLC	335,803	100,741
FNBS LLC	335,803	100,741
Edward J. Karban	125,000	37,500
Total:	3,035,900	910,770

Schedule B

MJIC Options

2,459,338 options of MJIC convertible into 2,459,338 MJIC Class A Common Shares are issued and outstanding at exercise prices ranging from between US\$2.00 and US\$3.00 per share, the exercise of which would result in the Company's receipt of cash proceeds in the aggregate amount of up to US\$4,917,820.

3,333,333 options of MJIC convertible into 3,333,333 MJIC Class A Common Shares at an exercise price of US\$3.00 per option for a period of five years from the date of issuance, anticipated to occur in March 2019, vesting in accordance with the terms of the option certificate or option agreement, as the case may be.

Schedule C
MJIC Corporate Structure

[attached]

Schedule D
MJIC Warrants

To date, the MJIC has issued warrants to acquire up to 2,352,372 MJIC Class A Common Shares at exercise prices ranging between US\$2.25 and US\$8.00 per share. In addition, on conversion of the MJIC Notes, warrants of MJIC to acquire up to 7,018,458 MJIC Class A Common Shares will be outstanding.

Schedule E
Form of U.S. Representation Letter

To: P&P Ventures Inc. (“Pubco”)
Re: Merger Agreement dated March [•], 2019 (the “Merger Agreement”) among Pubco, Manifestseven, Inc. and MJIC, Inc. (“MJIC”)

Pubco will, upon the completion of its acquisition of MJIC by way of the triangular merger transaction (the “Merger”) contemplated by the Merger Agreement, be known as ManifestSeven Holdings Corporation (the “Resulting Issuer”).

Capitalized terms not specifically defined in this Representation Letter have the respective meanings ascribed to them in the Merger Agreement. In the event of a conflict between the terms of this Representation Letter and the Merger Agreement, the terms of this Representation Letter shall prevail.

This Representation Letter is to be executed and delivered by each holder of MJIC Securities who is, or is acting for the account or benefit of, a U.S. Person or a person within the United States (each, an “MJIC U.S. Securityholder”).

In addition to the covenants, representations and warranties contained in the Merger Agreement, the undersigned holder of MJIC Securities covenants, represents and warrants to Pubco that:

- (a) It has full right, power and authority to deliver its MJIC Securities and this Representation Letter.
- (b) The delivery of its MJIC Securities and the Representation Letter will not violate or be in conflict with, result in a breach of or constitute a default under, any indenture, loan or credit agreement, deed of trust, mortgage, security agreement or other agreement or instrument to which the MJIC U.S. Securityholder is bound or affected.
- (c) It is the registered and beneficial holder of that number of MJIC Securities as set forth in the signature block below, has good, valid, and marketable title to all MJIC Securities indicated in this Representation Letter and is not affected by any voting trust, agreement or arrangement affecting the voting rights of the MJIC Securities.
- (d) It has such knowledge, skill and experience in financial, investment and business matters as to be capable of evaluating the merits and risks of an investment in the Consideration Securities to be issued to it pursuant to the Merger, and it is able to bear the economic risk of loss of its entire investment. To the extent necessary, the MJIC U.S. Securityholder has retained, at his or her own expense, and relied upon, appropriate professional advice regarding the investment, tax and legal merits and consequences of the Merger Agreement and owning the Consideration Securities.
- (e) Pubco has provided to it the opportunity to ask questions and receive answers concerning the terms and conditions of the Merger Agreement and it has had access to such information concerning Pubco as it has considered necessary or appropriate in connection with its

investment decision to acquire the Consideration Securities, including disclosure document(s) furnished to the MJIC U.S. Securityholder in connection with the meeting of MJIC Shareholders held to approve the Merger, and access to Pubco's public filings available on the Internet at www.sedar.com, and that any answers to questions and any request for information have been complied with to the MJIC U.S. Securityholder's satisfaction.

- (f) It is acquiring the Consideration Securities for its own account, for investment purposes only and not with a view to any resale or distribution and, in particular, it has no intention to distribute either directly or indirectly the Consideration Securities in the United States or to, or for the account or benefit of, a U.S. Person or a person in the United States; provided, however, that this paragraph shall not restrict the MJIC U.S. Securityholder from selling or otherwise disposing of the Consideration Securities pursuant to registration thereof pursuant to the U.S. Securities Act and any applicable state securities laws or under an exemption from such registration requirements.
- (g) The address of the MJIC U.S. Securityholder set out in the signature block below is the true and correct principal address of the MJIC U.S. Securityholder and can be relied on by Pubco for the purposes of state blue sky laws, and the MJIC U.S. Securityholder is not an entity that has been formed for the specific purpose of purchasing or acquiring the Securities.
- (h) It understands (i) the Consideration Securities 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 (ii) the offer and sale contemplated by the Merger Agreement is being made in reliance on an exemption from such registration requirements in reliance on Rule 506(b) of Regulation D and/or Section 4(a)(2) of the U.S. Securities Act.
- (i) The MJIC U.S. Securityholder is
 - (i) an "accredited investor" as defined in Rule 501(a) of Regulation D under the U.S. Securities Act by virtue of meeting one of the criteria set forth in **Appendix A** hereto (**please hand-write your initials on the appropriate lines on Appendix A**), which Appendix A forms an integral part hereof; or
 - (ii) not an "accredited investor" as defined in Rule 501(a) of Regulation D under the U.S. Securities Act, has a pre-existing substantive relationship with Pubco, and has completed **Appendix B** hereto, which forms an integral part hereof.
- (j) The MJIC U.S. Securityholder has not purchased the Consideration Securities as a result of any form of "general solicitation" or "general advertising" (as those terms are used in Regulation D under the U.S. Securities Act), including advertisements, articles, press releases, notices or other communications published in any newspaper, magazine or similar media or on the Internet, or broadcast over radio or television, or the Internet or other form of telecommunications, including electronic display, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.

- (k) It understands and agrees that the Consideration Securities may not be acquired in the United States or by a U.S. Person or on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States unless registered under the U.S. Securities Act and any applicable state securities laws or unless an exemption from such registration requirements is available.
- (l) It acknowledges that it is not acquiring the Consideration Securities as a result of, and will not itself engage in, any “directed selling efforts” (as defined in Regulation S under the U.S. Securities Act) in the United States in respect of the Consideration Securities which would include any activities undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the resale of the Consideration Securities.
- (m) If it is entitled to receive Resulting Issuer Replacement Securities under the Merger Agreement, it acknowledges and agrees that:
- i) the securities of the Resulting Issuer issuable upon exercise of such Resulting Issuer Replacement Securities (the “**Resulting Issuer Underlying Securities**” and together with the Consideration Securities, the “**Securities**”) have not been and will not be registered under the U.S. Securities Act or any state securities laws; and
 - ii) the Resulting Issuer Replacement Securities may not be exercised in the United States, or for the account or benefit of a U.S. Person or a person in the United States, absent an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws.
- (n) It acknowledges that the Securities will be “restricted securities”, as such term is defined in Rule 144(a)(3) under the U.S. Securities Act, and may not be offered, sold, pledged, or otherwise transferred, directly or indirectly, without prior registration under the U.S. Securities Act and applicable state securities laws, and it agrees that if it decides to offer, sell, pledge or otherwise transfer, directly or indirectly, any of the Securities, it will not offer, sell or otherwise transfer, directly or indirectly, the Securities except:
- (i) to the Resulting Issuer;
 - (ii) outside the United States in an “offshore transaction” meeting the requirements of Rule 904 of Regulation S under the U.S. Securities Act, if available, and in compliance with applicable local laws and regulations;
 - (iii) in compliance with the exemption from the registration requirements under the U.S. Securities Act provided by Rule 144 thereunder, if available, and in accordance with any applicable state securities or “blue sky” laws; or
 - (iv) in a transaction that does not require registration under the U.S. Securities Act or any applicable state securities laws governing the offer and sale of securities,

and, in the case of each of (iii) and (iv) above, it has prior to such sale furnished to the Resulting Issuer an opinion of counsel in form and substance reasonably satisfactory to

the Resulting Issuer stating that such transaction is exempt from registration under applicable securities laws and that the legend referred to in paragraph (o) below may be removed.

- (o) The certificates representing the Securities, as well as all certificates issued in exchange for or in substitution of the foregoing, until such time as the same is no longer required under the applicable requirements of the U.S. Securities Act or applicable state securities laws and regulations, will bear, on the face of such certificate, the following legend:

“THE SECURITIES REPRESENTED HEREBY [for Resulting Issuer Replacement Options and Resulting Issuer Replacement Warrants add: AND THE SECURITIES ISSUABLE UPON EXERCISE THEREOF] HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”), OR ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING OR OTHERWISE HOLDING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) IN ACCORDANCE WITH RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT, PROVIDED THAT PRIOR TO ANY TRANSFER PURSUANT TO CLAUSES (C) OR (D) ABOVE, AN OPINION OF COUNSEL IN FORM AND SUBSTANCE REASONABLY ACCEPTABLE TO THE CORPORATION SHALL FIRST BE PROVIDED TO THE EFFECT THAT SUCH TRANSFER DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY STATE SECURITIES LAW. [For Resulting Issuer Common Shares add: DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.]”

provided, that if at the time of original issuance of the Securities, the Resulting Issuer is a “foreign issuer” (as such term is defined in Rule 902(e) of Regulation S under the U.S. Securities Act), and are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S and in compliance with Canadian local laws and regulations, the legend set forth above may be removed by providing to the registrar and transfer agent of the Resulting Issuer:

- (i) an executed declaration and undertaking in substantially the form set forth as **Appendix C** attached hereto (or in such other forms as the Resulting Issuer may prescribe from time to time);
- (ii) an executed broker affirmation, in substantially the form included in **Appendix C** attached hereto (or in such other forms as Pubco may prescribe from time to time); and
- (iii) if requested by the Resulting Issuer or the transfer agent, an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Resulting Issuer and the transfer agent to the effect that such sale is being made in compliance with Rule 904 of Regulation S; and

provided, further, that, if any Securities are being sold otherwise than in accordance with Regulation S and other than to the Resulting Issuer, the legend may be removed by delivery to the registrar and transfer agent and the Resulting Issuer of an opinion of counsel, of recognized standing reasonably satisfactory to the Resulting Issuer, that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws.

- (p) It understands and agrees that there may be material tax consequences to the MJIC U.S. Securityholder of an acquisition, holding or disposition of any of the Securities. Pubco gives no opinion and makes no representation with respect to the tax consequences to the MJIC U.S. Securityholder under United States federal, state, local or other tax laws of the undersigned's acquisition, holding or disposition of such Securities.
- (q) It consents to the Resulting Issuer making a notation on its records or giving instructions to any transfer agent of the Resulting Issuer in order to implement the restrictions on transfer set forth and described in this Representation Letter and the Merger Agreement.
- (r) It understands that (i) Pubco may be deemed to be an issuer that is, or that has been at any time previously, an issuer with no or nominal operations and no or nominal assets other than cash and cash equivalents (a "**Shell Company**"), (ii) if Pubco is deemed to be, or to have been at any time previously, a Shell Company, Rule 144 under the U.S. Securities Act may not be available for resales of the Securities unless the requirements of Rule 144(i) under the U.S. Securities Act are met, and (iii) the Resulting Issuer will not be obligated to make Rule 144 under the U.S. Securities Act available for resales of the Securities.
- (s) It understands and agrees that the financial statements of Pubco have been prepared in accordance with International Financial Reporting Standards and therefore may be materially different from financial statements prepared under U.S. generally accepted accounting principles and therefore may not be comparable to financial statements of United States companies.
- (t) It understands and acknowledges that Pubco is incorporated outside the United States, consequently, it may be difficult to provide service of process on Pubco and it may be difficult to enforce any judgment against Pubco.
- (u) It understands that the Resulting Issuer will not have any obligation to register the Securities under the U.S. Securities Act or any applicable state securities or "blue sky" laws or to take action so as to permit resales of such Securities. Accordingly, the MJIC U.S. Securityholder understands that absent registration, it may be required to hold the Securities indefinitely. As a consequence, the MJIC U.S. Securityholder understands it must bear the economic risks of the investment in such Securities for an indefinite period of time.

The foregoing representations contained in this certificate are true and accurate as of the date of this certificate and will be true and accurate as of the Closing. If any such representations shall not be true and accurate prior to the Closing, the undersigned shall give immediate written notice of such fact to Pubco prior to the Closing.

Dated _____ 2019.

X _____

Signature of individual (if MJIC U.S.
Securityholder **is** an individual)

X _____

Authorized signatory (if MJIC U.S. Securityholder
is **not** an individual)

Name of MJIC U.S. Securityholder (**please print**)

Address of MJIC U.S. Securityholder (**please
print**)

Number of MJIC Securities Held (**please print**)

Name of authorized signatory (**please print**)

Official capacity of authorized signatory (**please
print**)

Appendix "A" to
U.S. Representation Letter for MJIC U.S. Securityholders

To be completed by MJIC U.S. Securityholders who qualify as Accredited Investors

In addition to the covenants, representations and warranties contained in the Merger Agreement and the Representation Letter to which this Appendix is attached, the undersigned MJIC U.S. Securityholder covenants, represents and warrants to Pubco that the MJIC U.S. Securityholder is an “accredited investor” as defined in Rule 501(a) of Regulation D under the U.S. Securities Act by virtue of meeting one of the following criteria (please hand-write your initials on the appropriate lines):

1.
Initials _____
Any bank as defined in Section 3(a)(2) of the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the U.S. Securities Act whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the U.S. Securities Exchange Act of 1934; any insurance company as defined in Section 2(a)(13) of the U.S. Securities Act; any investment company registered under the U.S. Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of that Act; any Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the U.S. Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of US\$5,000,000; any employee benefit plan within the meaning of the U.S. *Employee Retirement Income Security Act of 1974* if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of US\$5,000,000, or, if a self-directed plan, with investment decisions made solely by persons that are “accredited investors” (as such term is defined in Rule 501 of Regulation D under the U.S. Securities Act);

2.
Initials _____
Any private business development company as defined in Section 202(a)(22) of the U.S. *Investment Advisers Act of 1940*;

3.
Initials _____
- Any organization described in Section 501(c)(3) of the U.S. *Internal Revenue Code*, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of US\$5,000,000;
4.
Initials _____
- Any trust with total assets in excess of US\$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person (being defined as a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of the prospective investment);
5.
Initials _____
- Any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of purchase, exceeds US\$1,000,000 (Note: For purposes of calculating net worth,
- (i) the person's primary residence shall not be included as an asset;
- (ii) indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of this Representation Letter, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of this Representation Letter exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and
- (iii) indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence shall be included as a liability);
6.
Initials _____
- Any natural person who had annual gross income during each of the last two full calendar years in excess of US\$200,000 (or together with his or her spouse in excess of US\$300,000) and reasonably expects to have annual gross income in excess of US\$200,000 (or together with his or her spouse in excess of US\$300,000) during the current calendar year;
7.
Initials _____
- Any director or executive officer of Pubco; or
8.
Initials _____
- Any entity in which all of the equity owners meet the requirements of at least one of the above categories – *if this category is selected, you must identify each equity owner and provide statements from each demonstrating how they qualify as an accredited investor.*

[Signature Page Follows]

**ONLY MJIC U.S. SECURITYHOLDERS WHO ARE ACCREDITED INVESTORS
NEED TO COMPLETE AND SIGN THIS APPENDIX**

Dated _____ 2019.

X

Signature of individual (if MJIC U.S.
Securityholder is an individual)

X

Authorized signatory (if MJIC U.S. Securityholder
is not an individual)

Name of MJIC U.S. Securityholder (please print)

Name of authorized signatory (please print)

Official capacity of authorized signatory (please
print)

Appendix "B" to
U.S. Representation Letter for MJIC U.S. Securityholders

To be completed by MJIC U.S. Securityholders who do not qualify as Accredited Investors

In addition to the covenants, representations and warranties contained in the Merger Agreement and the Representation Letter to which this Appendix is attached, the undersigned (the "MJIC U.S. Securityholder") covenants, represents and warrants to Pubco (also referred to herein as the "Company") that the MJIC U.S. Securityholder understands that the Securities have not been and will not be registered under the U.S. Securities Act and that the offer and sale of the Securities to the MJIC U.S. Securityholder contemplated by the Merger Agreement is intended to be a private offering pursuant to Rule 506(b) of Regulation D of the U.S. Securities Act and/or section 4(a)(2) thereunder.

Your answers will at all times be kept strictly confidential. However, by signing this suitability questionnaire (the "Questionnaire") the MJIC U.S. Securityholder agrees that the Company may present this Questionnaire to such parties as may be appropriate if called upon to verify the information provided or to establish the availability of an exemption from registration of the private offering under the federal or state securities laws or if the contents are relevant to issue in any action, suit or proceeding to which the Company is a party or by which it is or may be bound. A false statement by the MJIC U.S. Securityholder may constitute a violation of law, for which a claim for damages may be made against the MJIC U.S. Securityholder. Otherwise, your answers to this Questionnaire will be kept strictly confidential.

Please complete the following questionnaire:

1. Educational Background
 - (a) Briefly describe educational background, relevant institutions attended, dates, degrees:

(b) Briefly describe business involvement or employment during the past 10 years or since graduation from school, whichever period is shorter. (Specific employers need not be named. A sufficient description is needed to assist the Company in determining the extent of vocationally related experience in financial and business matters).

2. Investment experience

Please indicate the frequency of your investment in marketable securities:

() Often; () Occasionally; () Seldom; () Never.

Please indicate the frequency of your investment in commodities futures:

() Often; () Occasionally; () Seldom; () Never.

Please indicate the frequency of your investment in options:

() Often; () Occasionally; () Seldom; () Never.

Please indicate the frequency of your investment in securities purchased on margin:

() Often; () Occasionally; () Seldom; () Never.

Please indicate the frequency of your investment in unmarketable securities:

() Often; () Occasionally; () Seldom; () Never.

(f) Have your purchased securities sold in reliance on the private offering exemptions from registration pursuant to the U.S. Securities Act or any state laws during the past three years?

Yes No

If you answered "Yes," please provide the following information:

Year	Security	Nature of of issuer	Business invested	Total amount
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(g) Do you believe you have sufficient knowledge and experience in financial and business affairs that you can evaluate the merits and risks of a purchase of the Securities?

Yes No

(h) Do you believe you have sufficient knowledge of investments in general, and investments similar to a purchase of the Securities in particular, to evaluate the risks associated with a purchase of the Securities?

Yes No

You hereby acknowledge that the foregoing statements are true and accurate to the best of your information and belief and that you will promptly notify the Company of any changes in the foregoing answers.

**ONLY MJIC U.S. SECURITYHOLDERS WHO ARE NOT ACCREDITED INVESTORS
NEED TO COMPLETE AND SIGN THIS APPENDIX**

Dated _____ 2019.

X

Signature of individual (if MJIC U.S.
Securityholder is an individual)

X

Authorized signatory (if MJIC U.S. Securityholder
is not an individual)

Name of MJIC U.S. Securityholder (please print)

Name of authorized signatory (please print)

Official capacity of authorized signatory (please print)

Appendix "C" to
U.S. Representation Letter for MJIC U.S. Securityholders

**Form of Declaration and Undertaking for Removal of Legend –
Rule 904 under the U.S. Securities Act of 1933**

To: ManifestSeven Holdings Corporation. (the "Company")

And To: The Transfer Agent for the Company's Common Shares

The undersigned (A) acknowledges that the sale of _____ common shares in the capital of the Company, represented by Share Certificate No.(s) _____ or held through the Direct Registration System (DRS) in DRS Holder Account No. _____, to which this declaration relates, is being made in reliance on Rule 904 of 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 an "affiliate" (as defined in Rule 405 under the U.S. Securities Act) of the Issuer (except solely by virtue of being an officer or director of the Issuer) or a "distributor", as defined in Regulation S, or 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 believe that the buyer was outside the United States, or (b) the transaction was executed on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or a designated offshore securities market within the meaning of Rule 902(b) of Regulation S under the U.S. Securities Act, 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; (3) neither the seller nor any affiliate of the seller nor any person acting on their behalf has engaged in any directed selling efforts 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 such term is defined in Rule 144(a)(3) under the U.S. Securities Act); (5) the seller does not intend to replace the securities sold in reliance on Rule 904 of Regulation S under the U.S. Securities Act 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 a scheme to evade the registration provisions of the U.S. Securities Act. Unless otherwise specified, terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act..

Dated _____ 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 pursuant to Section (B)(2)(b) above)

We have read the representations of our customer _____ (the "Seller") contained in the foregoing Declaration for Removal of Legend, dated _____, 20____, with regard to the sale, for such Seller's account, of _____ common shares (the "Securities") of the Issuer represented by certificate number(s) _____, or held through the Direct Registration System (DRS) in DRS Holder Account No. _____. We have executed sales of the Securities pursuant to Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), on behalf of the Seller. In that connection, we hereby represent to you as follows:

- (1) no offer to sell Securities was made to a person in the United States;
- (2) the sale of the Securities was executed in, on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or another designated offshore securities market (as defined in Rule 902(b) of Regulation S under the U.S. Securities Act), and, to the best of our knowledge, the sale was not pre-arranged with a buyer in the United States;
- (3) no "directed selling efforts" were made in the United States by the undersigned, any affiliate of the undersigned, or any person acting on behalf of the undersigned; and
- (4) we have done no more than execute the order or orders to sell the Securities as agent for the Seller and will receive no more than the usual and customary broker's commission that would be received by a person executing such transaction as agent.

For purposes of these representations: "affiliate" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the undersigned; "directed selling efforts" means any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the

United States for the Securities (including, but not be limited to, the solicitation of offers to purchase the Securities from persons in the United States); and “United States” means the United States of America, its territories or possessions, any State of the United States, and the District of Columbia.

Legal counsel to the Issuer shall be entitled to rely upon the representations, warranties and covenants contained herein to the same extent as if this affirmation had been addressed to them.

Dated this _____ day of _____, 20____.

Signature of Signatory:

Name and Title of Authorized Signatory:

Name of Brokerage Company:

Schedule G

VOTING SUPPORT AGREEMENT

THIS AGREEMENT dated and effective as of the execution date of the Merger Agreement (as herein defined),

BETWEEN:

THE PERSONS NAMED ON THE SIGNATURE PAGES HERETO

(hereinafter each such person is referred to as a "Shareholder", and collectively, the "Shareholders"),

- and -

MJIC, INC. a corporation existing under the laws of California,

(hereinafter referred to as the "Company").

WHEREAS each Shareholder is the beneficial owner of, or exercises control or direction over, that number of common shares ("Common Shares") of the Company as set out on the signature pages hereto;

AND WHEREAS the Company is contemporaneously herewith entering into a merger agreement (the "Merger Agreement") with P&P Ventures Inc. ("PubCo") which provides for, among other things, PubCo acquiring all of the outstanding common shares of the Company in exchange for common shares in the capital of PubCo pursuant to a plan of merger under the laws of California (the "Transaction") on and subject to the terms and conditions of the Merger Agreement;

AND WHEREAS this Agreement sets out the terms and conditions of the agreement of each Shareholder (i) to vote or cause to be voted the Subject Shares (as defined below) in favour of the Transaction and any other matter that could reasonably be expected to facilitate the Transaction and (ii) to abide by the restrictions and covenants set forth herein;

NOW THEREFORE this Agreement witnesses that, in consideration of the premises and the covenants and agreement herein contained, and for other good and valuable consideration the receipt and adequacy of which are hereby acknowledged by the parties, the parties hereto agree as follows:

ARTICLE 1 INTERPRETATION

1.1 All references herein to the Merger Agreement or any portion thereof refer to the Merger Agreement as amended, modified, restated or waived in accordance with its terms.

1.2 In this Agreement, unless otherwise expressly stated or the context otherwise requires:

- (a) **“Acquisition Proposal”** means, excluding any transactions contemplated by the Merger Agreement, any:
 - (i) *bona fide* proposal inquiry or offer with respect to: (A) any direct or indirect acquisition by any person or group of persons of Common Shares (or securities convertible into or exchangeable or exercisable for Common Shares) representing 20% or more of the Common Shares then outstanding (assuming, if applicable, the conversion, exchange or exercise of such securities convertible into or exchangeable or exercisable for Common Shares); (B) any plan of arrangement, amalgamation, merger, share exchange, consolidation, recapitalization, liquidation, dissolution or other business combination in respect of MJIC or any of its subsidiaries; or (C) any direct or indirect acquisition by any person or group of persons of any assets of MJIC and/or any interest in one or more of its subsidiaries (including shares or other equity interests of subsidiaries) that individually or in the aggregate constitute or hold 20% or more of the fair market value of the assets of MJIC and its affiliates taken as a whole (or any lease, license, royalty, joint venture, long-term supply agreement or other arrangement having a similar economic effect), whether in a single transaction or a series of related transactions,
 - (ii) public announcement of or of an intention, to do any of the foregoing, or
 - (iii) modification or proposed modification of any such proposal, inquiry or offer, in each case whether by plan of arrangement, amalgamation, merger, consolidation, recapitalization, liquidation, dissolution or other business combination, sale of assets, joint venture, take-over bid, tender offer, share exchange, exchange offer or otherwise, including any single or multi-step transaction or series of transactions, directly or indirectly involving MJIC or any of its subsidiaries;
- (b) **“Effective Time”** means 2:00 pm (Vancouver time) on the Effective Date, or such other time as MJIC and PubCo may agree upon;
- (c) **“Effective Date”** means the date PubCo and MJIC agree upon, acting reasonably, as the effective date of the completion of the Transaction after all of the conditions precedent to the completion of the merger as set out in the Merger Agreement have been satisfied or waived;
- (d) **“Governmental Authority”** means any multinational, federal, provincial, territorial, state, regional, municipal, local or other government or governmental body and any division, agent, official, agency, commission, board or authority of any government, governmental body, quasi-governmental or private body (including any stock exchange) exercising any statutory, regulatory, expropriation

or taxing authority under the authority of any of the foregoing and any domestic, foreign or international judicial, quasi-judicial or administrative court, tribunal, commission, board, panel or arbitrator acting under the authority of any of the foregoing;

- (e) **"Representatives"** means, collectively, with respect to a person, that person's officers, directors, employees, consultants, advisors, agents or other representatives (including lawyers, accountants, investment bankers and financial advisors);
- (f) references to "herein", "hereby", "hereunder", "hereof" and similar expressions are references to this Agreement and not to any particular Section of or Schedule to this Agreement;
- (g) references to a "Section" or a "Schedule" are references to a Section of or Schedule to this Agreement;
- (h) words importing the singular shall include the plural and *vice versa*, and words importing gender shall include the masculine, feminine and neuter genders;
- (i) the use of headings is for convenience of reference only and shall not affect the construction or interpretation hereof;
- (j) if the date on which any action is required to be taken hereunder by any of the parties is not a Business Day, such action shall be required to be taken on the next succeeding day that is a Business Day;
- (k) a period of Business Days is to be computed as beginning on the day following the event that began the period and ending at 4:30 p.m. (Vancouver time) on the last day of the period if the period is a Business Day or at 4:30 p.m. (Vancouver time) on the next Business Day if the last day of the period does not fall on a Business Day;
- (l) the terms "material" and "materially" shall, when used in this Agreement, be construed, measured or assessed on the basis of whether the matter would materially affect a party and its subsidiaries or affiliates, taken as a whole;
- (m) references to any legislation or to any provision of any legislation shall include any modification or re-enactment thereof, any legislation provision substituted therefor and all regulations, rules and interpretations issued thereunder or pursuant thereto; and
- (n) wherever the term "includes" or "including" is used, it shall be deemed to mean "includes, without limitation" or "including, without limitation", respectively.

ARTICLE 2 **THE TRANSACTION**

2.1 Subject to Section **Error! Reference source not found.**, the Company hereby agrees and confirms to each Shareholder that the Company shall take all steps required of it to cause the Transaction to occur in accordance with the terms and subject to the conditions set forth in the Merger Agreement.

ARTICLE 3 **AGREEMENT TO VOTE**

3.1 Subject to the terms and conditions of this Agreement, each Shareholder hereby irrevocably and unconditionally covenants and agrees from the date hereof until the earlier of (i) the Effective Time, and (ii) the termination of this Agreement pursuant to Article 7:

- (a) to vote or to cause to be voted the Shareholder's Subject Shares (as defined below) in favour of the Transaction, and in favour of any other matter to be considered by the Shareholders in connection with the Transaction which is reasonably necessary for the consummation of the Transaction, including in connection with any separate vote of any sub-group of the Shareholders that may be required to be taken and of which sub-group the Shareholder forms a part;
- (b) to vote or cause to be voted the Shareholder's Subject Shares against any Acquisition Proposal and/or any matter that could reasonably be expected to delay, prevent, impede or frustrate the successful completion of the Transaction at any meeting of the Shareholders called for the purpose of considering same;
- (c) no later than 10 Business Days prior to the date of any meeting of Shareholders of MJIC (the "**Meeting**") that may be called for the purposes of considering the Transaction, the Shareholder will deliver or cause to be delivered to the Company of a duly executed proxy (or other appropriate voting instrument) in favour of the Transaction and in respect of all matters which may come before a meeting of the Shareholders relating to the Transaction (other than any change in the terms of the Transaction which would decrease the value of the consideration to be received by the Shareholder), and such proxy (or other voting instrument) shall not be revoked unless this Agreement is terminated pursuant to Article 7 prior to the exercise of such proxy (or other voting instrument);
- (d) to cause the Shareholder's Subject Shares to be counted as present for purposes of establishing a quorum at the Meeting (or any adjournment or postponement thereof) and (A) to vote, or cause to be voted, the Shareholder's Subject Shares against, and (B) to not otherwise support, in each case, any: (i) liquidation, dissolution, recapitalization, merger, amalgamation, acquisition, strategic alliance, business combination, take-over bid, sale of material assets (or any lease, long-term supply agreement or other arrangement having the same economic effect as a sale), any material issue or sale of treasury shares or rights or interests therein or thereto, or similar transactions or series of transactions involving the Company, or a proposal

to do any of the foregoing, excluding the Transaction; (ii) amendment of the Company's constating documents or other proposal or transaction involving the Company which amendment or other proposal or transaction would in any manner delay, impede, frustrate or prevent the Transaction or any of the transactions reasonably necessary for the consummation of the Transaction, or change in any manner the voting rights of the Common Shares or any other securities of the Company; and (iii) action, agreement, transaction or proposal that might reasonably be regarded as being directed towards or likely to prevent or delay the Meeting or the successful completion of the Transaction or of the transactions reasonably necessary for the consummation of the Transaction, at any meeting of Shareholders; and

- (e) to not exercise any rights of a Shareholder to dissent pursuant to applicable Law in respect of the Merger Agreement or otherwise in connection with the Transaction, in each case, as such may be amended or varied at any time prior to the Effective Time.

3.2 As used in this Agreement, the term "**Subject Shares**" means the Common Shares that are beneficially owned, or in respect of which the voting is, directly or indirectly, controlled or directed by each Shareholder, as constituted at the date hereof, listed immediately under the Shareholder's signature hereto and includes:

- (a) all of the Common Shares that may become beneficially owned, or in respect of which the voting may become, directly or indirectly, controlled or directed by the Shareholder after the date hereof and prior to the Effective Time, including all of the Common Shares issued pursuant any convertible security of the Company owned by the Shareholder or which may otherwise be acquired by the Shareholder after the date hereof and prior to the Effective Time; and
- (b) any other voting securities of the Company that may result from a reclassification, conversion, consolidation, subdivision or exchange of, or distribution or dividend on, such shares or capital reorganization of the Company and all other securities exercisable, convertible or exchangeable into any of the foregoing.

ARTICLE 4 **CERTAIN COVENANTS OF THE SHAREHOLDERS**

4.1 Each Shareholder hereby covenants and irrevocably agrees that it shall, from the date hereof until the earlier of (i) the termination of this Agreement pursuant to Article 7 and (ii) the Effective Time, except in accordance with the provisions of this Agreement:

- (a) not, directly or indirectly, through any of its Representatives (i) solicit, assist, initiate, knowingly encourage or knowingly facilitate (including by way of discussion, negotiation, furnishing information or entering into any form of agreement, arrangement, commitment or understanding) any inquiry, proposal or offer regarding any Acquisition Proposal, (ii) engage or participate in any discussion or negotiation regarding, or provide any confidential information with

respect to, or otherwise cooperate with any person regarding, any Acquisition Proposal, or (iii) accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement in principle, agreement, arrangement or undertaking related to any Acquisition Proposal, provided that the Shareholder may advise the Board of Directors of the Company (the “**Board**”) as to the acceptability to the Shareholder of any Acquisition Proposal that the Board is entitled to consider, negotiate, approve or accept under the Merger Agreement;

- (b) immediately cease and cause to be terminated all existing discussions and negotiations, if any, with any Person or any Representatives of any Person conducted before the date of this Agreement with respect to any Acquisition Proposal;
- (c) promptly (and, in any event, within 24 hours) notify the Company of any Acquisition Proposal of which the Shareholder becomes, directly or indirectly, aware. Such notification shall be made first orally and then in writing and shall include a description of the material terms and conditions together with a copy of all documentation relating to any such Acquisition Proposal or inquiry in respect of an Acquisition Proposal within the Shareholder’s possession;
- (d) promptly notify the Company of the amount of any new Subject Shares acquired by such Shareholder, if any, after the date hereof, and any such Subject Shares shall be subject to the terms of this Agreement as though they were Subject Shares owned by such Shareholder on the date hereof;
- (e) irrevocably consent to details of this Agreement being set out in any information circular, or other disclosure document required by applicable securities laws or applicable policies of a stock exchange, produced by PubCo or the Company in connection with the transactions contemplated by this Agreement and the Merger Agreement;
- (f) not option, sell, transfer, pledge, encumber, grant a security interest in, hypothecate or otherwise convey or enter into any forward sale, repurchase agreement or other monetization transaction with respect to any of the Subject Shares, or any right or interest therein (legal or equitable), to any person or group or agree to do any of the foregoing;
- (g) not grant or agree to grant any proxy, power of attorney or other right to vote the Subject Shares, or enter into any voting agreement, voting trust, vote pooling or other agreement with respect to the right to vote, call meetings of Shareholders or give consents or approval of any kind with respect to any of the Subject Shares that in each case might reasonably be regarded as likely to prevent or delay the successful completion of the Transaction or the other transactions contemplated by the Merger Agreement or this Agreement;
- (h) not requisition or join in any requisition of any meeting of Shareholders without the prior written consent of PubCo, or vote or cause to be voted any of the Subject

Shares in respect of any proposed action by the Company or its Shareholders or affiliates or any other person or group in a manner which might reasonably be regarded as likely to prevent or delay the successful completion of the Transaction or the other transactions contemplated by the Merger Agreement and this Agreement; and

- (i) not do indirectly that which it may not do directly by the terms of this Article 4 or take any other action of any kind, directly or indirectly, which might reasonably be regarded as likely to reduce the success of, or delay or interfere with the completion of, the Transaction and the other transactions contemplated by the Merger Agreement and this Agreement.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES OF THE SHAREHOLDERS

5.1 Each Shareholder represents, warrants and, where applicable, covenants to the Company as follows and acknowledges that the Company is relying upon these representations, warranties and covenants in connection with the entering into of this Agreement and the Merger Agreement:

- (a) in the case of a Shareholder which is a corporate body, such Shareholder has been duly formed and is validly existing under the laws of its jurisdiction of incorporation and has all necessary power and authority to execute and deliver this Agreement and to perform its obligations hereunder;
- (b) the execution and delivery of this Agreement by the Shareholder and the performance by the Shareholder of its obligations hereunder have been duly authorized and no other proceedings on its part are necessary to authorize this Agreement and the performance of the Shareholder's obligations hereunder;
- (c) this Agreement has been duly executed and delivered by the Shareholder and, assuming the due authorization, execution and delivery by the Company, constitutes a legal, valid and binding obligation, enforceable by the Company against the Shareholder in accordance with its provisions, subject to bankruptcy, insolvency and other applicable laws and general principles of equity;
- (d) (i) the Shareholder is the beneficial owner of, or controls or directs the voting rights in respect of, the Subject Shares listed immediately under the Shareholder's name on the signature pages hereto, and (ii) the only Common Shares or other securities of the Company beneficially owned, or over which control or direction is exercised by the Shareholder are those listed immediately under the Shareholder's name on the signature pages hereto;
- (e) the Shareholder has the sole right to vote all the Subject Shares listed immediately under the Shareholder's name on signature pages hereto and all such Subject Shares shall, immediately prior to the Effective Time, be beneficially owned solely by the Shareholder with good and marketable title thereto, free and clear of any and all

- mortgages, liens, charges, restrictions, security interests, adverse claims, pledges, encumbrances and demands or rights of others of any nature or kind whatsoever;
- (f) no individual or entity has any agreement or option, or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, for the purchase, acquisition or transfer from the Shareholder of any of the Subject Shares or any interest therein or right thereto, including any right to vote, except PubCo pursuant to this Agreement;
 - (g) none of the execution and delivery by the Shareholder of this Agreement or the completion or performance of the transactions contemplated hereby or the compliance with the obligations hereunder by the Shareholder will result in a breach of (i) the constating documents of the Shareholder, if applicable; (ii) any agreement or instrument to which the Shareholder is a party or by which the Shareholder or any of the Shareholder's property or assets is bound; or (iii) any judgment, decree, order or award of any Governmental Authority with respect to the Shareholder, except, in the case of (ii) and (iii), such breaches which could not, individually or in the aggregate, impair the ability of the Shareholder to perform its obligations under this Agreement or otherwise materially delay the Shareholder in performing such obligations; and
 - (h) there are no legal proceedings in progress or pending before any Governmental Authority, or, to the knowledge of the Shareholder, threatened, against the Shareholder or the Shareholder's Affiliates that would adversely affect in any manner the Shareholder's ability to enter into this Agreement and to perform its obligations hereunder.

The representations and warranties of each Shareholder set forth in this Article 5 shall survive the completion of the Transaction and, despite such completion, shall continue in full force and effect for the benefit of PubCo without limitation as to time.

ARTICLE 6 **REPRESENTATIONS AND WARRANTIES OF MJIC**

6.1 MJIC represents, warrants and, where applicable, covenants to each Shareholder as follows and acknowledges that each Shareholder is relying upon these representations, warranties and covenants in connection with the entering into of this Agreement:

- (a) MJIC has been duly formed and is validly existing under the laws of its jurisdiction of incorporation and has the requisite corporate power and authority to conduct its business as it is now being conducted and to execute and deliver this Agreement and to perform its obligations hereunder;
- (b) the execution and delivery of this Agreement by MJIC and the performance by it of its obligations hereunder have been duly authorized by its board of directors and no other corporate proceedings on its part are necessary to authorize this Agreement and the performance of its obligations hereunder;

- (c) this Agreement has been duly executed and delivered by MJIC and, assuming the due authorization, execution and delivery by each Shareholder, constitutes a legal, valid and binding obligation, enforceable by the Shareholder against MJIC in accordance with its terms, subject to bankruptcy, insolvency and other applicable Laws affecting creditor's rights generally and general principles of equity; and
- (d) none of the execution and delivery by MJIC of this Agreement or the completion or performance of the transactions contemplated hereby or the compliance with the obligations hereunder by MJIC will result in a breach of (i) the constating documents of MJIC; (ii) any agreement or instrument to which MJIC is a party or by which MJIC or any of MJIC's property or assets is bound; or (iii) any judgment, decree, order or award of any Governmental Authority with respect to MJIC, except, in the case of (ii) and (iii), such breaches which could not, individually or in the aggregate, impair the ability of MJIC to perform its obligations under this Agreement or otherwise delay MJIC in performing such obligations.

ARTICLE 7 **TERMINATION**

7.1 This Agreement shall automatically terminate if the Merger Agreement is terminated in accordance with its provisions.

7.2 This Agreement may be terminated at any time prior to the Effective Time by the mutual written agreement of MJIC and the Shareholder.

7.3 In the case of any notice of termination of this Agreement pursuant to Section **Error! Reference source not found.** or **Error! Reference source not found.**, this Agreement shall terminate and be of no further force or effect. Notwithstanding anything else contained herein, such termination shall not relieve any party from liability for any breach of this Agreement by the party prior to such termination.

ARTICLE 8 **DISCLOSURE**

8.1 Except as required by applicable Laws or by any Governmental Authority or in accordance with the requirements of any stock exchange, no party shall make any public announcement or statement with respect to this Agreement without the approval of the other, which shall not be unreasonably withheld or delayed. Moreover, the parties agree to consult with each other prior to making any public filing, summarizing any provisions of this Agreement in any proxy circular or other disclosure documents in respect of the Transaction or making any public announcement or statement with respect to this Agreement, subject to the overriding obligations of Laws or regulations. The parties acknowledge that a copy of this Agreement will be publicly disclosed and that a copy of this Agreement may be provided to the directors of the Company.

ARTICLE 9 **GENERAL**

9.1 This Agreement shall become effective upon execution and delivery hereof by each Shareholder.

9.2 Each Shareholder and MJIC shall, from time to time, promptly execute and deliver all such further documents and instruments and do all such acts and things as the other party may reasonably require to effectively carry out the intent of this Agreement.

9.3 This Agreement shall not be assignable by any party without the prior written consent of the other parties. This Agreement shall be binding upon and shall enure to the benefit of and be enforceable by each of the parties hereto and their respective successors and permitted assigns.

9.4 Time shall be of the essence of this Agreement.

9.5 Any notice or other communication required or permitted to be given hereunder shall be sufficiently given if in writing, delivered or sent by telecopier or facsimile transmission:

(a) in the case of each Shareholder, at the telecopier or facsimile number or address set out immediately under the Shareholder's name on the signature pages hereto

(b) in the case of MJIC:

MJIC, Inc.

5800 South Eastern Avenue, Suite 300
Commerce, California
90040
United States

Attention: Sturges J. Karban, Chief Executive Officer
Facsimile No.: 949-540-6578

E-mail: sturges@mjic.com

with a copy, which shall be for informational purposes only and not constitute notice, sent to James Murphy at jmurphy@horwitzarmstrong.com.

(c) at such other address as the party to which such notice or other communication is to be given has last notified the party giving the same in the manner provided in this Section 9.5 and if so given shall be deemed to have been received on the date of such delivery or sending (or, if such day is not a Business Day, on the next following Business Day).

9.6 This Agreement and the rights and obligations of the parties hereto shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

9.7 Each of the parties hereto agrees with the others that: (i) money damages would not be a sufficient remedy for any breach of this Agreement by any of the parties; (ii) in addition to any other remedies at law or in equity that a party may have, such party shall be entitled to equitable relief, including injunction and specific performance, in addition to any other remedies available to the party, in the event of any breach of the provisions of this Agreement; and (iii) any party that is a defendant or respondent shall waive any requirement for the securing or posting of any bond in connection with such remedy. Each of the parties hereby consents to any preliminary applications for such relief to any court of competent jurisdiction. The prevailing party shall be reimbursed for all costs and expenses, including reasonable legal fees, incurred in enforcing the other party's obligations hereunder. Such remedies shall not be deemed to be exclusive remedies for the breach of this Agreement but shall be in addition to all other remedies at law or in equity.

9.8 If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not irremediably affected in any manner materially adverse to any party hereto. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties hereto as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled according to their original tenor to the extent possible.

9.9 This Agreement constitutes the entire agreement and supersedes all other prior agreements and undertakings, both written and oral, among the parties with respect to the subject matter hereof.

9.10 This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce more than one counterpart.

[The remainder of this page has been left intentionally blank]

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

MJIC, INC.

By:

Name:

Title:

Irrevocably accepted and agreed to this _____ day of March ___, 2019.

Signature of Securityholder or, if a corporation, authorized signing officer

Name of Securityholder (Please print)

_____ Common Shares

_____ Options

_____ Warrants

Address for Notice:
